



# INSTITUTE OF ACCOUNTANTS AND BOOKKEEPERS

## BYELAWS

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## THE INSTITUTE OF ACCOUNTANTS AND BOOKKEEPERS LIMITED

### Byelaws of the Institute of Accountants and Bookkeepers

(A Company Limited by Guarantee and not having share capital). Company number  
1119378

Amended 16<sup>th</sup> June 2022

#### 1) INTERPRETATION

In these Bye-laws:

- a) 'The Institute' and 'IAB' means the Institute of Accountants and Bookkeepers Limited (a Company Limited by Guarantee and not having a share capital).
- b) 'Articles' means the Articles of Association of the Institute.
- c) The expression 'Committee' shall also include the expression 'Project Group', 'Working Group', 'Panel' and/or any synonymous description.
- d) 'Compliance Department' means any or all of the employees or contractors of the Institute whose role is to monitor, assess, guide and assess members in relation to their obligations to comply with the Money Laundering Regulations 2017, the Institute's Programme of Compliance, Practice Assurance or such other requirements of membership as shall be notified to members or otherwise apply to members by virtue of legislation or regulation from time to time.
- e) 'Executive' means the executive management of the Institute, including but not limited to, the Chief Executive and Chief Operating Officer.
- f) For disciplinary purposes, the term 'member' shall include all classes of member.
- g) 'MLRO' means the Institute's Money Laundering Compliance Officer
- h) For the purpose of these Byelaws, the pronoun 'he' shall be used regardless of gender.
- i) The headings of sections and paragraphs of these Byelaws are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of these Byelaws.

#### 2) ARTICLES TO PREVAIL

These Byelaws are made and amended by the Board from time to time pursuant to the Articles. In the event that any provision of these Byelaws shall be incompatible or inconsistent with the Articles, the Articles shall prevail. Accordingly, any provision of these Byelaws, to the extent it is incompatible or inconsistent with the Articles, shall be

disregarded. In such a case, however, the remainder of the Byelaws which are not incompatible or inconsistent with the Articles shall continue to apply.

### **3) THE MANAGEMENT OF THE INSTITUTE OF ACCOUNTANTS AND BOOKKEEPERS (IAB)**

- A) THERE SHALL BE A BOARD THAT SHALL FOR ALL PURPOSES BE THE GOVERNING BODY OF THE IAB AND SHALL MANAGE THE AFFAIRS OF THE INSTITUTE.
- B) ELECTION TO, AND THE GOVERNANCE OF, THE BOARD OF THE IAB IS COVERED BY THE ARTICLES OF ASSOCIATION.
- c) The Board shall appoint a Chief Executive and Chief Operations Officer to administer the business of IAB on their behalf.
- d) Board meetings will be held not less than four times each year, at which activities will be monitored and directed.
- e) At the Board meeting subsequent to the Annual General Meeting the statutory committees will be appointed in consultation with the Chief Executive. A chairperson, convenor or similar shall be appointed for each committee.

### **4) BOARD RENUMERATION**

- A) BOARD MEMBERS MAY BE RENUMERATED BY THE INSTITUTE IN RESPECT OF NORMAL BOARD AND COMMITTEE DUTIES AT SUCH RATE AS THE BOARD MAY FROM TIME TO TIME DETERMINE.
  - 1)
- B) IN ADDITION, BOARD MEMBERS SHALL BE ENTITLED TO REIMBURSEMENT OF REASONABLE OUT-OF-POCKET EXPENSES.
- c) For work carried out in addition to that of a normal Board member remuneration shall be paid at a rate no higher than would otherwise be payable. For example: -
  - i. Acting either as Examiner, Moderator, or Invigilator of the examinations of the Institute.
  - ii. Distributing either by hand, mail or otherwise, the publicity matter of the Institute.
  - iii. Contributing either literary or other matter for publication by the Institute.
  - iv. Undertaking, by the instruction of Board, any specific assignments that are outside their normal and regular duties as Board members.

- d) Remuneration shall be determined by the Chief Executive in advance and paid at a rate no higher than would otherwise be payable.

## **5) COMMITTEES OF THE BOARD**

The Board has constituted, in accordance with the Articles of Association and by the terms of reference set out in Schedule 1 to these Byelaws, the following permanent Committees:

- a) Professional Standards Committee
- b) Awarding Organisation Standards Committee
- c) Membership and Communications Committee
- d) Nominations Committee
- e) Adjudication Panel
- f) Appeals Panel

The Board may also constitute such other committees as it may deem appropriate from time to time.

## **6) PROFESSIONAL MEMBERSHIP**

- a) All members of the Institute shall pay such fees and subscriptions to the Institute as the Board shall determine from time to time. The relevant fees and subscriptions shall vary according to grade of membership.
- b) All members will give a signed confirmation of their acceptance of any compliance with the Institute's criteria for membership and Code of Best Practice and any other requirements for membership advised by the Board, from time to time.
- c) The Board delegates to the Executive power to admit members in accordance with these Byelaws and the power to waive the Examinations and Exemption Fees in respect of members admitted where appropriate.

## **7) CONTINUOUS PROFESSIONAL DEVELOPMENT**

Members of the Institute are required to engage in Continuous Professional Development in order to maintain their membership of the Institute.

The annual CPD requirement is documented within the CPD policy, as set by the Professional Standards Committee, and must be achieved before renewal of membership of the Institute is due.

## 8) PROFESSIONAL MEMBERSHIP GRADES

- a) Professional members shall be members of the Institute (as defined in the Articles) and, as such, shall be subject to the obligations of registered members and entitled to the rights of registered members, including the right to receive notice of, attend and vote at, general meetings of the Institute. A person may hold only one membership.
- b) A person shall be eligible for admission to professional membership if he:
- is ordinarily resident in the United Kingdom,
  - Has demonstrated, to the satisfaction of the Board (by methods as agreed and published by Board from time to time)-that he is a fit and proper person to be a member of the Institute both in character, employments and knowledge or appropriate work experience, including the use of a commercial accounting software package.
- c) Persons shall be admitted to IAB Membership under one of two Membership Types
- IAB UK or IAB International

The criteria for admission each membership type shall be made public from time to time. However, duly appointed, IAB membership staff, shall have absolute discretion in determining the Membership Type under which a particular member is admitted.

- d) There shall be three grades of professional membership:
- Associate            AIAB
  - Member             MIAB
  - Fellow                FIAB

The criteria for admission to these grades shall be made public from time to time.

- e) An Associate, Member or Fellow on admission or upon transfer to a higher grade is entitled to receive a certificate of membership stating his designation, signed by the person from time to time appointed by Board to carry out this function. Upon cessation of membership through any cause whatsoever, the certificate shall be returned to the Institute upon demand.
- f) Notwithstanding Byelaw 6a) above, the Board may determine, postpone, or refuse any application for membership or transfer to a higher grade without assigning any reason to the applicant or transferee.

- g) Having been admitted as a member of the Institute, a person must comply with the Byelaws, the framework for regulation and code of best practice and his ongoing membership will be subject in particular to the provisions of Byelaw 13. On application and periodically as requested, a professional member must provide evidence to the satisfaction of the Executive of his residence in the United Kingdom.
- h) The Board at its sole discretion is empowered to confer appropriate Honorary status to the President of the Institute appointed from time to time. The Board may also at its sole discretion confer the status of Honorary Membership to persons who in the view of the Board have proved to be outstanding in the world of finance.
- i) A Fellow who has qualified under Byelaw 6a) above and has agreed to pay/pays the appropriate subscription shall be entitled to use the designatory letters FIAB and may describe himself as a 'Registered Bookkeeper'.
- j) A Member who has qualified under Byelaw 6a) above and has agreed to pay/pays the appropriate subscription shall be entitled to use the designatory letters MIAB.
- k) An Associate who has qualified under Byelaw 6a) above and has agreed to pay/pays the appropriate subscription shall be entitled to use the designatory letters AIAB.
- l) Fellows, Members and Associates admitted under these Byelaws who have passed the appropriate Payroll examinations of the Institute or an approved equivalent as determined by Board from time to time shall be eligible to use the letters fpf, or mpf in addition to the designatory letters AIAB, MIAB or FIAB on payment of an appropriate fee.

## **9) TUTOR MEMBERSHIP**

- a) Tutors shall be admitted to IAB Tutor Membership and shall be non-voting members of the Institute.
- b) As non-voting members, tutors shall not be subject to the obligations of registered members to undertake to contribute to the assets of the Institute in the event of its being wound up and shall not be entitled to the rights of registered members, including the right to receive notice of, attend and vote at, general meetings of the Institute.
- c) The criteria for admission to this grade shall be made public from time to time.

## **10) STUDENT MEMBERSHIP**

- a) Students shall be admitted to IAB Student Membership and shall be non-voting members of the Institute.
- b) Only students who are members of the Institute, shall be able to study towards an IAB regulated and/or non-regulated qualification or programme.
- c) As non-voting members, students shall not be subject to the obligations of registered members to undertake to contribute to the assets of the Institute in the event of its being wound up and shall not be entitled to the rights of registered members, including the right to receive notice of, attend and vote at, general meetings of the Institute.
- d) The criteria for admission to this grade shall be made public from time to time.

## **11) NON-UK MEMBERSHIP**

- a) Non-UK members shall be non-voting members of the Institute (as defined in the Articles) and, as such, shall not be subject to the obligations of registered members to undertake to contribute to the assets of the Institute in the event of its being wound up and shall not be entitled to the rights of registered members, including the right to receive notice of, attend and vote at, general meetings of the Institute.
- b) Non-UK Membership is a grade of membership for any person who is not ordinarily resident in the United Kingdom and who has registered with the Institute for a relevant qualification within the previous 12 months, or shown to the satisfaction of the Board that appropriate examinations have been successfully completed or submits for assessment, a certified list of 'accredited prior learning competencies' and references (as agreed by the Board from time to time) which demonstrated that he is a fit and proper person to be a non-UK member of the Institute both in character and employments and appropriate work experience, including the use of a commercial accounting software package.

## **12) FEES AND SUBSCRIPTIONS**

- a) The Board shall determine subscriptions for all grades of membership from time to time on the recommendation of the Membership and Communications Committee. In exceptional circumstances, the Chief Executive may consider that a waiver for the year or part of the year be given to any grade of member.
- b) An applicant for any grade of membership shall pay such non-returnable administration fee as shall be determined by Board from time to time on the recommendation of the Membership and Communications Committee.

- c) An applicant to become a member who satisfies the competencies of APL by undertaking an accredited assessment will pay such fees as shall be determined by Board from time to time on the recommendation of the Membership and Communications Committee.
  
- d) A member making an application to transfer to a higher grade of membership shall pay such fees as shall be determined by Board from time to time on the recommendation of the Membership and Communications Committee.

### **13) PROVISIONS APPLICABLE TO ALL CATEGORIES OF MEMBERS**

- a) Every member shall provide details to the Institute of the place of residence to be registered as his place of address and, subject to providing such evidence as may be requested from time to time that the member is ordinarily resident at that address. The place from time to time so registered shall, for the purpose of the statutes and articles and all matters relating to the Institute, be or be deemed to be his place of residence, and is hereafter referred to as his registered address. In this Byelaw 'address', in relation to electronic communications, includes any number or address used for the purposes of such communications.
  
- b) If any member fails to notify the Institute of his registered address, he shall not be entitled to receive notice of any Annual General Meeting or other proceedings of the Institute, and no meetings or other proceedings shall be invalidated by reason of such notice not being received.
  
- c) Any member may resign their membership of the Institute by sending the registered office a notice in writing. Refunds for the balance of membership for that year and calculated in complete months shall be at the discretion of the Chief Executive Officer.
  
- d) Any person ceasing to be a member of the Institute from any cause whatsoever shall not, nor shall his representatives, have any claim upon, or interest in the funds or property of the Institute by reason of their former membership, and this Bye-law shall apply and be effective without prejudice to the right of the Institute to claim from him or his representatives any subscriptions or other sum due to the Institute at the time of him ceasing to be a member.

### **14) DISCIPLINARY ACTION**

- a) The Board shall take such action as they consider necessary in the circumstances set out below, in accordance with Byelaw 14b), without assigning any specific reason.

The Board shall also take such steps as it deems appropriate to identify the occurrence of the circumstances described at items i) to x) below

- i) Mental illness - where a member is suffering from mental illness and a registered medical practitioner who is treating them gives a written opinion to the Institute stating that they have become physically or mentally incapable of operating to the professional standards expected of a member and may remain so for more than three months.
  - ii) Subscription, fines, or other arrears - where a member is in arrears for one month from the date upon which payment thereof became due with (a) his annual subscription, (b) any fines levied by the Institute or (c) any other amount due to the Institute, howsoever such amount may have arisen.
  - iii) Unregulated practice - where a member is offering a bookkeeping service on a self-employed basis and does not have an appropriate Certificate of AML Supervision issued by the Institute or hold a certificate or licence issued by a regulator or equivalent professional body
  - iv) Ordinary place of residence - where a member, fails to provide evidence on request that he is ordinarily resident in the United Kingdom.
  - v) Bankruptcy/insolvency - where a member has become bankrupt or makes any arrangement or composition with his creditors generally.
  - vi) Compliance failing - where a member fails to comply with the Money Laundering Regulations 2017, the Institute's Professional Standards requirements or any required action notified to members generally or individually to a member by the Compliance or Membership Department.
  - vii) Dishonesty - where a member is discovered to have knowingly given inaccurate information either orally, by omission, or in their application or in any subsequent communication to the Institute, a client, or any regulatory authority.
  - viii) Convictions for relevant Offences - Convictions for offences under Schedule 3 to the Money Laundering Regulations 2017 shall be a bar to membership.
  - ix) Criminal Conviction - where a member is convicted of a criminal offence other than a minor traffic violation either in a magistrates' court, crown court or equivalent court either within the United Kingdom, European Union or elsewhere.
  - x) Bringing the Institute into disrepute - where a member is considered in the reasonable opinion of the Board to have brought/ be bringing the Institute into disrepute.
- b) The Board has delegated its powers of disciplinary action against any member for any breach of the Institute's regulations to the Adjudication Panel and Appeals Panel and in respect of in respect of paragraph 14) a)vi) above; to the MLRO.

**Members of the Institute may only serve on one of these Panels at any one time.**

- c) Any complaints received in writing alleging compliance failings or misconduct against a member of the Institute and any such matters otherwise suspected shall be referred to the MLRO or a Technical Consultant as appropriate. The MLRO or Technical Consultant shall then conduct a reasonable and necessary investigation to determine whether there is a prima facie case.
- d) Where in respect of paragraph 14)a)vi), the MLRO, having taken into account the circumstance of the case, finds a member to have breached MLR requirements the MLRO may, without convening a hearing of the Adjudication Panel, request further evidence or representation from the member and may make one of the following orders against the member:-
  - i) The member may be issued with an action plan outlining the failure and setting out the time frame within which compliance must be achieved to the satisfaction of the Compliance Department (“Action Plan”).
  - ii) Levy a fine and/or costs, if appropriate, on the member. The maximum amount for the time being for each fine shall be £250, and the maximum costs shall be £250 which would be enforced by legal action as a debt if necessary, provided that failure to comply in a timely manner with any Action Plan issued to the member may result in a second fine and/or costs up to these limits also being levied; and/or
  - iii) Refer the case directly to the Adjudication Panel, and shall inform the member in writing of the breach and the order made against him at the time of the order being issued.
  - iv) When a member who is under an IAB compliance and professional standards investigation or a pending Adjudication Panel hearing, will not be able to resign their professional membership in order to prevent any findings being made or the hearing from occurring.
  - v) Where a members professional membership naturally ends, their membership will be extended until such time that the investigation has concluded (where there is no referral to the Adjudication Panel) or the Adjudication Panel has sat.
  - vi) The Anti Money Laundering inspection is critical to the continued supervision of practising members. If a member needs to postpone a scheduled inspection appointment, they must provide 48 hours’ notice. If a member fails to attend a scheduled appointment without the required notice, they will incur a cancellation fee.
  - vii) With regards to d (iv) and (v) above, this would not cover AML supervision, so a member can continue to resign their supervision at any point, and will not cover supervised members who are on an action plan.
- e) Excepting in relation to d) above, where a conduct matter in respect of compliance failings or professional misconduct arising from a complaint received from any party or otherwise discovered is brought to the attention of the MLRO or the Technical Consultant, and following a necessary and reasonable investigation it is established there is a prima facie

case, they will submit a report to the chair of the Adjudication Panel to initiate a hearing. Thereafter the MLRO, where appropriate the Technical Consultant, or with the consent of the Adjudication Panel chair, another suitably qualified person will present the case to the panel.

- f) Obvious fee disputes will not be considered.
- g) Any member of Board referred by the MLRO or Technical Consultant to the Adjudication Panel shall be required to absent himself from all Board activities until the conclusion of the proceedings of the disciplinary and appeals processes.
- h) If after investigation of a compliance failing or complaint it is established that there is a prima facie case to be put before the Adjudication Panel in connection therewith, a letter shall be sent informing the member that the compliance failing or complaint will be referred to the Adjudication Panel. Within 14 days, the member must either submit their defence in writing or confirm their acceptance of the case findings in writing. If no response is submitted, the case will be deemed to be accepted by the member.
- i) Following this 14-day period, the Adjudication Panel will convene to review any evidence submitted in defence by the member and determine the outcome and any sanctions to be applied. Sanctions may include a 'conditional order' whereby a member must meet specific conditions in a set timeline to be deemed compliant. The possibility that a member may present a defence which fully exonerates them is also acknowledged.
- j) The member will be informed in writing of the decision of the Adjudication Panel. If the member wishes to exercise the right to appeal, the member must notify the Institute in writing, stating the reason for an appeal, within seven days of receiving the decision of the Adjudication Panel.
- k) If the member lodges and appeal, a date will be set for an Adjudication Panel Appeal Hearing no later than 14 days after the appeal notice is received.
  - The Adjudication Panel Appeal Hearing will include at least two independent IAB directors (i.e. not previously involved with the case review). The IAB is at liberty, depending on the seriousness of the allegation, to engage legal representation for their side,
  - The member will be invited to attend the meeting and may be accompanied by a legal representative or other advocate (in which case the advocate presents the member's case) or the member may represent themselves, but can be accompanied (in which case the member presents the case, and the accompanying person attends for moral support/advice to the member).
  - The member will be advised of the outcome of the Adjudication Panel Appeal hearing at the conclusion of the meeting, and this will be confirmed in writing by the IAB within seven days.
  - Where such appeal relates to the grading allocated to a member offering bookkeeping services to the public following an inspection and assessment of that member under the Institute's 'Professional Standards Inspection' regime, the appeals procedure set

out in Schedule 3 shall apply.

- l) If the Adjudication Panel finds that a compliance failing or other complaint against a member has been upheld wholly, or in part, it shall state a finding to that effect after appeal (if the process is instigated). In the event of such findings, it may make anyone, or more, of the following orders against the member, having regard to the case stated by the member, and the Panel's view as to the nature and seriousness of the compliance failing or complaint or any other circumstances which the Panel considers relevant. The orders that may be made against a member are that:
  - i) The member be admonished.
  - ii) The member be severely and publicly admonished.
  - iii) The member be reprimanded.
  - iv) The member be severely and publicly reprimanded.
  - v) The member be ineligible for a Certificate of AML Supervision
  - vi) The Certificate of AML Supervision be revoked
  - vii) The member be excluded or suspended from membership.
  - viii) A fine and/or costs be levied if appropriate on the member, which would be enforced by legal action as a debt if necessary. The maximum of such fines shall for the time being be £50,000 and costs up to £1,500.
  - ix) The member be given a direction:-
    - a) A direction may be give for the purpose of:
      - (i) Remediating a failure to comply with a membership requirement;
      - (ii) Preventing a failure to comply, or continued non-compliance, with a membership requirement.
    - b) A direction may require or prohibit the taking of specified action.
- m) A permanent register, including a record of any order made against a member, shall be kept of all disciplinary cases.
- n) Unless the Adjudication Panel otherwise directs, a record of an order made against a member shall be published which shall state the name of the member, describe the finding and the order, provided that no such record shall be published unless and until all rights of appeal have been exhausted or have expired.

A member, against whom a compliance failing has been alleged, or complaint has been

- a) made which has been found by the Adjudication Panel or Appeals Panel as the case may be; to be false or not proved in full or in part, shall be entitled to require a record of that decision to be published.
- b) A person who shall have ceased to be a member by virtue of disciplinary action shall be liable for all subscriptions or other sums due to the Institute at the date of cessation of membership, and they shall be a legal debt.
- c) At the end of the disciplinary process, the individual making the complaint shall be notified of the action taken.
- d) If at any time the Adjudication Panel considers a public statement is necessary to maintain confidence in the Institute's requirements, Code of Best Practice, supervisory functions, including AML supervisory functions, or disciplinary procedures, it shall make a recommendation to the Board which shall, notwithstanding any other provision of these Byelaws, be entitled to make a public statement or statements in relation to such matters as it sees fit.

#### **15) Members**

No member shall offer bookkeeping services to the public in the United Kingdom on a self-employed basis unless they comply with the regulations of practising members as set out in Schedule 2: regulation of Bookkeeping Services.

## INSTITUTE OF ACCOUNTANTS AND BOOKKEEPERS

### SCHEDULE 1: TERMS OF REFERENCE FOR PROFESSIONAL STANDARDS, AWARDING ORGANISATION, STANDARDS, MEMBERSHIP and COMMUNICATIONS, NOMINATIONS, CONDUCT AND APPEALS COMMITTEES

#### A. Terms of Reference for Professional Standards Committee

##### 1. Purpose

- 1.1. The IAB Board has ultimate responsibility as custodians of the standards for professional conduct outlined in the Articles of Association.
- 1.2. The Professional Standards Committee (PSC) is constituted by the IAB Board to maintain and enhance the reputation of the IAB by ensuring consistently high standards are established and sustained in respect of admission to IAB membership, compliance with legislative and regulatory requirements, ethical and professional conduct and continuing professional development.
- 1.3. In fulfilling this purpose, the PSC will monitor the performance and attainment by IAB and provide independent guidance for the Directorate/Management in achieving its remit within the IAB Strategy and Business Plan.

##### 2. General Regulation

- 2.1. The PSC will normally meet monthly, with additional meetings, as necessary.
- 2.2. The Committee's quorum shall be three.
- 2.3. Any Committee member not attending or not contributing for three consecutive meetings within a 12-month period will be deemed to have resigned from the Committee at the discretion of the Chair.
- 2.4. The Chair will, in consultation with the CEO, nominate a member of the IAB staff to provide administrative support and to facilitate communication between the Committee and IAB.
- 2.5. The Chair may invite any person, including members of IAB staff or advisers, to attend any meeting or part of a meeting of the Committee. Such persons shall attend as guests and shall not be members of the PSC.

##### 3. Composition

- 3.1. The PSC will include a chair and between four and six further Committee members appointed by the IAB Board for their professional expertise and experience in the regulation of standards within organisations.

- 3.2. Committee members will be drawn from appropriate professional association backgrounds and will also have relevant knowledge of regulations and legislation with relevance to IAB and its members.
- 3.3. The IAB Board appoints the Chair of the PSC. The proposed Chair of the PSC will be recommended by the Nominations Committee, in consultation with the PSC, and appointed by the Board.
- 3.4. The Chair of the PSC will be a specialist conversant with regulatory and legislative requirements.
- 3.5. Committee members must declare any conflict of interest and where necessary recuse themselves.

#### 4. Functions

The roles and responsibilities of The PSC are to:

- 4.1. Publish a code of professional conduct, and a competency framework continuously developed to reflect evolving international and worldwide professional standards for members.
- 4.2. Provide oversight of the outcomes and the standards required for IAB membership, including:
  - Core Competency
  - Professional, ethical conduct and compliance
  - Continuing Professional Development
- 4.3. Conduct periodic reviews, as determined by the IAB Board, to ensure the IAB meets its legislated responsibilities and obligations relating to health, employment, data, and financial management.
- 4.4. Consider when necessary; matters referred by the IAB Board, or other matters, that the Committee itself deems relevant, in relation to its purpose set out above.
- 4.5. Commission and progress oversight, of investigations in line with established procedures, into any matters of concern.
- 4.6. Provide oversight and quality assurance of the supervisory functions exercised by IAB, including relevant policies, procedures and processes in the management of compliance meeting regulatory requirements and fulfilling IAB business strategy. In particular to ensure the appropriate sufficiency, conduct, reporting, subsequent assessment and grading of Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017) inspections.
- 4.7. Monitor the range of compliance issues identified by IAB to focus on professional development and practice improvement through learning and education products.
- 4.8. Consider and determine the acceptance of applications in relation to persons with criminal convictions not falling within Schedule 3 of the MLR 2017.

## 5. Powers

In all matters, the role of the PSC will be advisory unless the IAB Board makes a specific delegation of power.

## 6. Reporting

6.1. The IAB Board will receive a report from the Chair of the PSC, on its activities, four times a year.

6.2. The IAB Board has the right to request a report on the results of inspections conducted into the compliance with anti-money laundering regulations, and other relevant legislation amongst members. In order to facilitate this, the IAB Board will ensure that PSC is a standing agenda item in its meetings.

6.3. The Committee will review its effectiveness, these terms of reference and its membership annually, providing appropriate reports to the IAB Board.

## B. Terms of Reference for Awarding Organisation Standards Committee

### 1. Purpose

1.1 The IAB Board has ultimate responsibility as the custodians of the professional standards of IAB qualifications as outlined in the Articles of Association. The Awarding Organisation Standards Committee (AOSC) has continuing oversight of, and is directly accountable for the Awarding Organisation's:

- performance and activities
- compliance with the regulators' conditions of recognition.

1.2 The purpose of the AOSC is to provide the IAB Board with assurance and independent judgement that the Awarding Organisation remains compliant with the general conditions of recognition as stipulated by the regulators and to add value and guide the Awarding Organisation Directorate/Management in achieving its remit within the IAB Strategy and Business Plan.

### 2. General regulation

2.1 The AOSC will normally meet four times a year, with additional meetings as necessary.

2.2 The committee's quorum shall be three.

- 2.3 Any member not attending or not contributing for three consecutive meetings within a 24-month period will be deemed to have resigned from the Committee at the discretion of the Chair.
- 2.4 The Chair will, in consultation with the CEO, nominate a member of the IAB Awarding Organisation staff to provide administrative support and to facilitate communication between the Committee and IAB.
- 2.5 The Chair may invite any person, including members of IAB staff or advisers, to attend any meeting or part of a meeting of the committee. Such persons shall attend as guests and shall not be members of the AOSC.

### **3. Composition**

- 3.1 The AOSC consists of a Chair and between four and six further committee members appointed by the IAB Board for their academic and professional expertise in the regulation of an Awarding Organisation.
- 3.2 Committee members will be drawn from appropriate academic or professional association backgrounds and will also have relevant knowledge/experience of regulations as they pertain to the design, development, and delivery of qualifications.
- 3.3 The Chair of the AOSC is appointed by the IAB Board. The proposed Chair of the AOSC will be recommended by the Nominations Committee, in consultation with the AOSC, and appointed by the Board.
- 3.4 The Chair of the AOSC will be a specialist conversant with regulatory requirements.
- 3.5 Committee members must declare any conflict of interest and where necessary recuse themselves.

### **4. Functions**

The roles and responsibilities of AOSC are to:

- 4.1 Monitor and evaluate the Awarding Organisation's policies, processes and procedures.
- 4.2 Review the Awarding Organisation's Annual Qualification Report
- 4.3 Review the Awarding Organisation's Annual Internal Audit Report

4.4 Review the Awarding Organisation's Annual Statement of Compliance

4.5 Prepare an annual report to the IAB Board, including any recommendations regarding the Awarding Organisation's ability to maintain its compliance with the regulators' general conditions of recognition.

**5. Powers**

In all matters, the role of the AOSC shall be advisory unless the IAB Board makes a specific delegation of power.

**6. Reporting**

6.1 The IAB Board will receive a report from the Chair of the AOSC on its activities four times a year.

6.2 The IAB Board has the right to request a report on the standards and performance of any IAB qualification they may require in the execution of their duties. In order to facilitate this, the IAB Board will ensure that the Awarding Organisation is a standing agenda item in its meetings.

6.3 The Committee will review its effectiveness, these terms of reference and its membership annually, providing appropriate reports to the IAB Board.

## **C. Terms of Reference for Membership and Communications Committee**

### **1. Purpose**

- 1.1 The IAB Board has ultimate responsibility as custodians of the professional standards outlined in the Articles of Association.
- 1.2 The Membership and Communications Committee (MCC) is constituted by the IAB Board to provide a high standard of professional membership and member benefits.
- 1.3 To promote and raise the profile of Bookkeepers with government, the financial sector and within the business and recruitment industries.
- 1.4 The purpose of the Membership and Communications Committee is to provide the IAB Board with recommendations on subscription fees, changes to the Articles of Association and the Byelaws, affiliate partners and member services.
- 1.5 The Membership and Communications Committee shall be responsible for keeping the members' guidance documents up to date; Liaison with AOSC on new qualifications; the planning of awards, seminars and events and to add value to the Directorate/Management in achieving its remit within the IAB Strategy and Business Plan.

### **2. General regulation**

- 2.1 The Membership and Communications Committee will normally meet bi-monthly, with additional meetings, as necessary.
- 2.2 The committee's quorum shall be three.
- 2.3 Any member not attending or not contributing for three consecutive meetings within a 12-month period will be deemed to have resigned from the Committee at the discretion of the Chair.
- 2.4 The Chair will, in consultation with the CEO, nominate a member of the IAB staff to provide administrative support and to facilitate communication between the Committee and IAB.
- 2.5 The Chair may invite any person, including members of IAB staff or advisers, to attend any meeting or part of a meeting of the committee. Such persons shall attend as guests and shall not be members of the Membership and Communications Committee.

### **3. Composition**

- 3.1 The Membership and Communications committee consists of a Chair and between four and six further committee members appointed by the IAB Board for their academic and professional expertise and from the general membership.
- 3.2 Committee members will be drawn from appropriate academic or professional association backgrounds and will also have relevant knowledge/experience.

3.3 The Chair of the Membership and Communications committee is appointed by the IAB Board. The proposed Chair of the committee will be recommended by the Nominations Committee, in consultation with the Membership and Communications Committee, and appointed by the Board.

3.4 The Chair of the Membership and Communications committee will be a specialist conversant with procedures and membership organisations

3.5 Committee members must declare any conflict of interest and where necessary recuse themselves.

#### 4. Functions

The roles and responsibilities of the Membership and Communications Committee are to:

4.1 Monitor and evaluate membership policies, processes, and procedures.

4.2 Ensure the Articles of Association and Byelaws are maintained

4.3 Review the membership services

4.4 Review the membership fees annually

4.5 Prepare an annual report to the IAB Board, including any recommendations regarding the membership.

#### 5. Powers

In all matters, the role of the Membership and Communications Committee shall be advisory unless the IAB Board makes a specific delegation of power.

#### 6. Reporting

6.1 The IAB Board will receive a report from the Chair of the MCC on its activities four times a year.

6.2 The IAB Board has the right to request a report on the membership, member benefits and campaign/event outcomes and performance. In order to facilitate this, the IAB Board will ensure that the MCC is a standing agenda item.

6.3 The Committee will review its effectiveness, these terms of reference and its membership annually, providing appropriate reports to the IAB Board.

## **D. Terms of Reference Nominations Committee**

### **1. Purpose**

- 1.1 The IAB Board has the ultimate responsibility to provide a high standard of professionalism.
- 1.2 The purpose of the Nominations Committee is to provide the IAB Board, with assurance and independent judgement, recommendations for the appointment of board members and the chair and members of the Institute's committee, including the AOSC, PSC and MCC committees and the Conduct and Appeals Panels

### **2. General regulation**

- 2.1 The Nominations committee will normally meet Annually, with additional meetings, as necessary.
- 2.2 The committee's quorum shall be three.
- 2.3 The Chair will, in consultation with the CEO, nominate a member of the IAB staff to provide administrative support and to facilitate communication between the Committee and IAB.
- 2.4 The Chair may invite any person, including members of IAB staff or advisers, to attend any meeting or part of a meeting of the committee. Such persons shall attend as guests and shall not be members of the Nominations Committee.

### **3. Composition**

- 3.1 The Nominations Committee consists of Chair, CEO, COO and the senior member of staff from the committee the nominee is nominated to join. If required, a professional expert may be asked to attend the meeting
- 3.2 The Chair of the Nominations Committee is the Chair of IAB

**3.3** Committee members must declare any conflict of interest and where necessary recuse themselves.

### **4. Functions**

The roles and responsibilities of the Nominations Committee are to:

- a. Taking account of the Articles of Association and the need to ensure an appropriate balance of skills, qualifications, experience and diversity of perspective on the board and its committees, to determine objective selection criteria for board and committee roles and to review and evaluate the nominees for board and committee membership through interview.
- b. Recommend and put forward the best nominee for the position.

- c. Evaluate the contribution of individual board members and make recommendations to the board on whether such board members due to stand for re-election at the Institute's AGM should be proposed to members for re-election.

## 5. Powers

In all matters, the role of the Nominations shall be advisory unless the IAB Board makes a specific delegation of power.

## 6. Reporting

The IAB Board will receive a report from the Chair and recommend any changes to the procedure.

## E. Terms of Reference for Adjudication Panel

### 1. Purpose

**1.1 The IAB Board has ultimate responsibility and holds the right action taken to address problems affecting membership outlined in the Byelaws (Section 14 (a) (i) (vi) to (ix) and for the imposition of sanctions and penalties outlined in the Byelaws (Section 14 (k) (i) to (vii)).**

**1.2 The IAB Board has delegated its powers of disciplinary action in cases that fall within Byelaws Section 14 (a) items (iii) (vi) (vii) (viii) and (ix) to the Adjudication Panel.**

**1.3 The Adjudication Panel shall be constituted by the IAB Board as and when required to examine and adjudicate complaints or allegations of all kinds arising under the Byelaws; where necessary imposing sanctions or penalties (as described in the Byelaws (Section 14 (k) (i) to (vii)).**

### 2. General Regulation

**2.1 The Adjudication Panel will be constituted where there is prima facie evidence in respect of any complaint or allegation which falls within its delegated authority for consideration as set out in the Byelaws (Section 14(a) items (iii) (vi) (vii) (viii) and (ix)).**

**2.2 The panel quorum shall be three.**

**2.3 The Adjudication Panel Chair shall be recommended by the Nominations Committee, in consultation with the PSC, and appointed by the Board.**

- 2.4 The Chair will, in consultation with the CEO, nominate a member of the IAB staff to provide administrative support and to facilitate communication between the Committee and IAB.**
  
- 2.5 Any Person subject of a complaint or allegation being considered by the Panel shall be invited to attend those proceedings, at their own cost, and is entitled to be accompanied by one other person in addition to a legal representative.**
  
- 2.6 In respect of any persons attending, the Chair shall have complete discretion to adjust or vary these arrangements, as necessary to ensure the effective and appropriate discharge of the Adjudication Panel functions.**
  
- 2.7 IAB shall make a record of Adjudication Panel proceedings. Unless with the express permission of the Chair; no other recording or transmission of sounds or images connected with the Adjudication Panel will be allowed.**

### **3. Composition**

- 3.1 The Adjudication Panel will consist of a chair and between two and four members appointed by the Board for their professional expertise and experience in the regulation of standards within organisations.**
  
- 3.2 Panel members will be drawn from appropriate professional association backgrounds and will also have relevant knowledge of regulations and legislation with relevance to IAB and its members.**
  
- 3.3 No person shall be eligible to serve as a member of the Adjudication Panel in relation to any particular case if that person has any material interest in the matter under consideration either personally or through a concern in any undertaking.**
  
- 3.4 Panel members must declare any conflict of interest and where necessary recuse themselves.**

### **4. Functions**

- 4.1 The function of the Adjudication Panel shall be to hear, examine and adjudicate those complaints or allegations falling within its remit and in accordance with the powers delegated by the IAB Board.**

4.2 In fulfilling its role, the panel will consider evidence presented in written or other forms. At the discretion of the chair, it may hear evidence in person or via shared telephony or video conferencing technology.

4.3 Where the Panel finds a complaint or allegation upheld, the Panel shall decide on the appropriate disciplinary sanctions or penalties as set out in the Byelaws (**Section 14 (k) (i) to (vii)**)

## 5. Powers

A duly convened meeting of the Panel, which is quorate, shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by, the Panel.

## 6. Reporting

6.1 The IAB Board will receive a report from the Chair of the Adjudication Panel, on its activities, four times a year.

6.2 The IAB Board has the right to request a report on the function and general conduct of proceedings of the Adjudication Panel. In order to facilitate this, the IAB Board will ensure that the Adjudication Panel is a standing agenda item in its meetings.

6.3 The Adjudication Panel will review its effectiveness; these terms of reference and its composition annually, providing appropriate reports to the IAB Board.

## **F. Terms of Reference for Appeals Panel**

### **1. Purpose**

- 1.1 The IAB Board has ultimate responsibility for standards of professional conduct and competency including the award of IAB qualifications and for action taken to address problems affecting membership outlined in the Byelaws.**
  
- 1.2 The Appeals Panel shall be constituted by the IAB Board as and when required to examine and adjudicate appeals lodged which fall within the grounds set out in the Byelaws (below) and which arise from:**
  - a. Any finding of the Adjudication Panel that a complaint or allegation is upheld.
  - b. **Any decision of the Adjudication Panel that a sanction or penalty should be imposed or the scale of any such sanction or penalty.**
  - c. **Any declined IAB membership application.**
  - d. **Any withheld competency award or qualification**
  - e. **The grading outcome of inspections and assessments conducted by or on behalf of IAB in respect of compliance with anti-money laundering regulations or other relevant legislation.**

### **2. Grounds for Appeal**

- 2.1 Appeals shall be considered where there is prima facie evidence indicating that one or more of the following grounds are met:**
  - a. There was bias, prejudice or discrimination as defined by the Equality Act 2010
  - b. There was a substantial procedural irregularity in the conduct of the proceedings involved and/or the determination of the outcome being decided.
  - c. There was an administrative error which has significantly affected the determination of the outcome being decided.
  
- 2.2 Where, in the view of the Appeals Panel Chair, the appeal does not fall within any of these grounds and unless there are exceptional circumstances which the Chair believes should properly be taken into account; the Panel will reject the appeal.**

### 3. General Regulation

- 3.1 Any appeal must be submitted personally. Appeals received from third parties even if associated with the appellant cannot be accepted.
- 3.2 Appeals must be lodged within a 14-day period following the decision in question using the IAB electronic inspection appeals form. Appeals received by email, post, phone or any other medium or after 14 days will not be accepted.
- 3.3 Where necessary, at the discretion of the chair, a meeting may be adjourned whilst specific investigation, as directed by the chair, is carried out.
- 3.4 The Chair is responsible for decisions during the appeal process and will determine the exact procedure for each hearing.
- 3.5 The Chair will, in consultation with the CEO, nominate a member of the IAB staff to provide administrative support and to facilitate communication between the Panel and IAB.
- 3.6 Appeals Panel meetings will normally be closed; except at the discretion of the chair, no observers will be admitted.
- 3.7 Appeals Panel meetings may be 'virtual' and the panel, including the appellant; may interact using conferencing or similar technology.
- 3.8 IAB shall make a record of Appeals Panel proceedings. Unless with the express permission of the Chair; no other recording or transmission of sounds or images connected with the Panel will be allowed.
- 3.9 Appeals in respect of Inspections and Assessments in connection with Anti Money Laundering regulations shall also be in accordance with the procedures set out in the Byelaws (Schedule 3 Professional Standards Inspection and Assessment Appeals Procedure).

### 4. Composition

- 4.1 **The Appeal Panel will consist of a chair and between two and four committee members appointed by the Board for their professional expertise and experience.**
- 4.2 **Panel members will be drawn from appropriate professional association backgrounds and will also have knowledge of regulations and legislation with relevance to IAB.**
- 4.3 **No person shall be eligible to serve as a member of the Appeals Panel in relation to any particular case if that person has any material interest in the matter under consideration either personally, through a concern in any undertaking, or if that person was concerned**

**with any proceedings or decisions subject of the appeal.**

4.4 Panel members must declare any conflict of interest and where necessary recuse themselves.

## **5. Powers**

5.1 A duly convened meeting of the Panel, which is quorate, shall be competent to exercise all or any of the authorities, powers and discretions vested in; or exercisable by, the Panel.

**5.2 Determinations made by the Appeals Panel are final.**

## **6. Reporting**

6.1 The IAB Board will receive a report from the Chair of the Appeals Panel, on its activities, four times a year.

6.2 The IAB Board has the right to request a report on the function and general conduct of proceedings of the Appeals Panel. In order to facilitate this, the IAB Board will ensure that the Appeals Panel is a standing agenda item in its meetings.

6.3 The Appeals Panel will review its effectiveness, these terms of reference and its composition annually, providing appropriate reports to the IAB Board.

# **INSTITUTE OF ACCOUNTANTS AND BOOKKEEPERS**

## **SCHEDULE 2: Anti Money Laundering - Regulation of Bookkeeping Services**

### **1) Regulation of Bookkeeping Services**

- a) The Institute has been granted Supervisory Status under the Anti Money Laundering (AML) legislation. Persons offering Bookkeeping services to the public in the United Kingdom and firms are required to apply for an appropriate certification.
- b) Subject also to consideration of the types of services being offered and the business structure IAB may issue a 'Certificate of AML Supervision' to a firm or sole trader in respect of the Bookkeeping services offered to the public. Provided that:
  - i) The services are being offered by a subscribed IAB 'Member' or 'Fellow'.
  - ii) OR: the services are being offered by a business entity managed or controlled

- by a subscribed IAB 'Member or 'Fellow.'
- iii) AND: The relevant 'Member' or 'Fellow' is the person responsible for compliance with anti-money laundering regulations and holds current 'IAB UK' Membership Type.
  - iv) AND: The relevant 'Member' or 'Fellow' or business entity and its day to day management are located within England, Wales, Scotland or Northern Ireland.
  - v) Under special arrangements, AML Supervision by IAB may also be available for the Isle of Man.
- c) The 'Certificate of AML Supervision' will specify the single service provider to which it relates. Certificates are not transferable, and supervision is consequently limited to the firm or sole trader named during the currency of IAB membership.
- d) Both the business and the responsible IAB Member must demonstrate compliance with the Institute's Framework for Regulation and Code of Best Practice as determined by the Board from time to time.
- e) Where an IAB member holds any controlling interest in a business offering bookkeeping services to the public, which is not supervised by IAB; the member must demonstrate that the business is supervised by another appropriate.
- f) No charge shall be made for the issue of a Waiver for AML Supervision

## 2) Registration

Members applying for certification must:

- a) Be a fully paid-up 'Member' or 'Fellow' of the Institute holding IAB UK membership.
- b) AML Supervision is not available to IAB 'Associate' Grade Members.
- c) AML Supervision is not available to members or their businesses operating from the Channel Islands.
- d) Implement and maintain procedures to a professional standard in accordance with the IAB's Framework for Regulation and Code of Best Practice as determined by the Board from time to time.
- e) Comply with the CPD requirements of the IAB as determined and made public by Board

from time to time.

- f) In relation to all beneficial owners, officers and managers provide a current 'basic certificate' obtained from H.M. Government Disclosure and Barring Service.
- g) Inform the IAB Compliance Unit in writing within 30 days of changes of beneficial owners, officers or managers or any relevant criminal conviction.
- h) Submit an application in the prescribed form and pay an annual fee as determined by the Board from time to time. The application must disclose areas of competence and indicate the services that the member or the business offers or intends to offer.
- i) Provide such details as may be required from time to time by IAB about the clients served by the member or the business
- j) Ensure that upon application Professional Indemnity cover is in place at a level deemed adequate by the IAB.

### 3) Supervision

Members must agree to comply with the requirements for supervision in line with the Money Laundering Regulations 2017 (the 'ML Regulations') and to such other additional requirement as the Board may agree and publish from time to time.

- a) In particular, members shall, on request, provide such evidence as may reasonably be required of their:
  - i) Identity (current and past), including but not limited to their full name and usual residential address,
  - b) Compliance with the Anti Money Laundering Regulations and/or the Institute's Byelaws and Regulation of members-The requirements for Monitoring and Supervision are subject to changes in legislation which will be announced on the Institute's website.
  - c) The following will remain the basis of the supervisory system.
  - d) A refusal to engage with any Compliance Department enquiry will be considered a breach of Byelaw 14) a) vi).
  - e) The requirements of monitoring and Supervision are subject to changes in legislation which will be announced on the Institute's website. From time to time the Institute will complete compliance reviews of members practice to ensure understanding and compliance with the Money Laundering Regulations 2017 or in relation to any improvement actions that may have been required
  - f) Such reviews may be undertaken by various means including onsite visits, video conferencing, email or telephone contact. Such reviews are not limited to, but may encompass:
    - i) 'Desktop reviews', reviewing documents submitted during the application process,

publicly accessible government information, material published online, or other sources providing relevant anti-money laundering information

- ii) 'Inspections' where a designated assessor will conduct interviews and examine documents to test compliance with AML Regulations; usually lasting half a day.
  - iii) 'Audits' where a designated assessor will examine a specific issue or particular documentation in more detail.
  - iv) 'Re-Inspections' where a designated assessor will conduct interviews or examine documents to confirm completion of improvement actions arising from a previous supervisory review.
- g) The Compliance Department of the Institute will instigate arrangements for these reviews, and members will usually receive notice prior to contact by the designated assessor.

#### **4) Disciplinary**

- a) To ensure that the Institute complies with its requirements as a Supervisory Body, the failure by a member to comply with any supervisory process will be considered a disciplinary matter and may be subject of penalties imposed by the Head of Compliance or referred to the IAB Adjudication Panel.
- b) The withdrawal of a 'Certificate of AML Supervision' by IAB will affect the eligibility of a member to offer bookkeeping services to the public lawfully.
- c) Further details of the Institute's disciplinary processes are shown in Byelaw 14, Disciplinary Action

## SCHEDULE 3: PROFESSIONAL STANDARDS INSPECTION AND ASSESSMENT APPEALS PROCEDURE

### Introduction

1. The Money Laundering, Terrorist Financing and Transfer of Funds Regulations came into force in 2017 requiring enhanced risk assessment, due diligence and a range of other measures focused on financial services professionals to address and reduce money laundering.
2. These regulations emphasise the legal and professional responsibilities for compliance which, as the supervising agency, IAB must ensure are being fulfilled by members.
3. IAB also has a central aim to develop standards in practice, promote innovation across the sector and provide resources for our members supporting their ambitions to expand and improve their business.
4. In February 2020 IAB introduced the 'Professional Standards Inspection' regime. This more rigorous process is comprehensive, and it is structured around detailed evidence as to the basis for assessment. It is intended to fully explore how members ensure their compliance with the 2017 regulations, to identify gaps or strengths and to provide members with important feedback.
5. Where necessary following inspection and in accordance with IAB supervisory role, we may require members to undertake improvement actions to restore or improve compliance.
6. In some more serious circumstances, IAB may also need to impose disciplinary sanctions resulting in penalties whereas in other cases the inspection may provide an opportunity for advisory actions intended to improve members' business approach.
7. Inspections are carried out on behalf of IAB by Compliance and Privacy Solutions Ltd., a specialist consultancy firm providing associate inspectors with experience in legal and regulatory compliance.
8. The inspection process is configured around eight 'key issues' derived from the 2017 regulations and industry-standard guidance.
9. Each of these key issues is explored during the inspection, and the resulting evidence is carefully assessed by IAB to determine how practice meets the necessary standards in compliance.
10. To better identify strengths and gaps, a grading is allocated under each key issue, and a summary of the main findings is compiled. The system uses four grades: Outstanding, Good, Requiring Improvement and Inadequate
11. Taking account of all the evidence, an overall grade is also applied.

### Considerations before Appeal

12. Before submitting an appeal, members should examine and consider the feedback provided. In doing so, it may be helpful to refer to the document: '*Anti Money Laundering Guidance for the Accountancy Sector.*' As the HM Treasury approved sector guidance, it explains the regulatory requirements around which the inspection is based and is available from CCAB through this link:

<https://www.ccab.org.uk/documents/FinalAMLGuidance2018Formattedfinal.pdf>

13. Members are also encouraged to contact IAB for further information about the framework and requirements used in the allocation of grades.
14. Thereafter members should carefully consider the grounds upon which an appeal may be lodged.

### **Policy**

15. Within the following framework and in accordance with the grounds for appeal; every member be entitled to appeal against the award of a grade applied in relation to a Professional Standards Inspection and subsequent assessment or any sanction imposed.
16. Every member shall be informed of their right to appeal at the time the assessment decision is communicated.
17. IAB must receive any appeal within 14 days following the publication of the assessment decision.
18. Appeals are only available to fully paid up members and who are not in arrears with their renewal and to those who have paid any fine issued in full within a 30 day time frame.
19. The outcome of the appeal shall be decided by a formally constituted appeals panel chaired by a senior member of the organisation.
20. The decision of the appeals panel shall be final.
21. An appeal may be made where the member believes there is evidence to substantiate at least one of the following 'grounds for appeal' and the appeal must state which ground(s) are being relied upon.
22. An appeal may not be made solely against a requirement for improvement actions relating to compliance with anti-money laundering regulations or the time specified by IAB to implement such a requirement.
23. Requests for deadline extensions in relation to required actions should be directed towards the IAB Head of Compliance and Professional Standards for review.

### **Submitting an appeal**

24. An appeal must be submitted personally by the member subject of the inspection. Appeals received from third parties even if associated with the members' practice cannot be accepted.
25. Appeals must be lodged within the 14-day period using the IAB electronic inspection appeals form. Appeals received by email, post, phone or any other medium or after 14 days will not be accepted.

### **Grounds for appeal**

26. Members pursuing an appeal should establish that at least one of the following criteria is met:
  - There was bias, prejudice or discrimination as defined by the Equality Act 2010
  - There was a substantial procedural irregularity in the conduct of the inspection and/or the determination of results.

- There was an administrative error which has impacted the grading or imposition of a sanction.

## **Procedure**

### Stage 1

27. Upon receipt of an appeal, the IAB Compliance and Professional Standards Officer will:
- Conduct an administrative check to ensure that the assessment result has been correctly recorded and communicated.
  - Confirm that the appeal is founded on one or more of the grounds for appeal in this policy.
  - Within five working days of receiving of the appeal, acknowledge receipt and advise the member of the timetable for progress of the appeal.
  - Forward details to the IAB Head of Compliance and Professional Standards.

### Stage 2

28. The IAB Head of Compliance and Professional Standards will undertake a full investigation of the issues raised in the appeal. This investigation may include, but is not restricted to, interviews with the member concerned, the inspector and IAB staff involved in the assessment.
29. In the course of the investigation, the IAB Head of Compliance and Professional Standards may request the provision of relevant documents by the member.
30. Once the investigation has been completed, the IAB Head of Compliance and Professional Standards will provide a report, together with any documents, to the next appeals panel.

### Stage 3

31. The appeal will be heard by the appeals panel, which will make a finding on the basis of the concerns raised. The appeals panel will make no other findings as part of the appeals process.
32. The panel will be formed by at least three individuals wholly independent of the original inspection or assessment decision and will be chaired by a senior member of the organisation.
33. The chair of the appeals panel is responsible for decisions during the appeal process and will determine the exact procedure for each hearing.
34. The chair of the appeals panel is empowered to decide on documents or evidence presented to the panel.
35. The appeal hearing may be 'virtual', and the panel may interact using conference call, or any similar technology.
36. The member is not able to submit information directly to the appeals panel unless invited to do so, nor can the member attend the panel hearing.
37. The panel will reach a decision which will be recorded together with reasons and will advise the member of the outcome in writing.
38. A summary of this written decision will be provided to the member within five working days of the panel decision.
39. The decision reached at Stage 3 of the appeals process is final.

### **Re-Inspection**

40. Unless for exceptional reasons; determined by the appeals panel, an appeal will not result in a full re-inspection.
41. Subsequent inspections and consequent grading will be conducted according to the current scheduling arrangements operated by IAB.

### **Ongoing supervision during an appeals process**

42. IAB members must ensure that their practice is fully compliant with all aspects of the Money Laundering Regulations 2017 irrespective of any ongoing appeal.
43. Where a mandatory improvement action has been issued in relation to an inspection, even though it is currently under appeal, the member must nevertheless ensure that the required action is addressed within the specified timeframe to ensure compliance with the 2017 Money Laundering Regulations.
44. Any subsequent finding of non-compliance or subsequent disciplinary action will be taken independently of any pending appeal.