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Corporate

# Bye-Laws

Adopted with effect from 1 January 2015

**Institute of Financial Accountants**  
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## 1. Definitions and Interpretation

1.1 In these bye-laws, unless the context otherwise requires:

- a) *articles* means the articles of association of the Institute as amended or supplemented from time to time;
- b) *bankruptcy* includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy.
- c) *bankruptcy event* means a bankruptcy order, a bankruptcy restriction order, a bankruptcy restriction undertaking or an event where the member has made an assignment for the benefit of creditors or has made an arrangement for the payment of a composition to creditors, or has had an interim order made by the court in respect of them, or is a relevant firm which has made such an assignment or composition or been wound up as a company, or entered into a voluntary arrangement, administration or liquidation, in each case where applicable under the Insolvency Act 1986, or other similar or analogous event has occurred in relation to them or it under applicable legislation;
- d) *board* means the board of directors of the Institute from time to time;
- e) *Chief Executive* means the Chief Executive of the Institute (by whatever name known) or any other person acting in such capacity by the direction of the council;
- f) *council* means the council of the Institute as from time to time constituted;
- g) *firm* includes any body corporate;
- h) *full member* means Fellow, Associate, Honorary Fellow or such other category of member as shall be prescribed by the council from time to time and included in the articles and bye-laws;
- i) *Institute* means the Institute of Financial Accountants, a company limited by guarantee with registered number 9350923;
- j) *member* includes full members and non-voting members
- k) *Money Laundering Regulations* means the Money Laundering Regulations 2007 as amended or re-enacted from time to time or the equivalent legislation in other jurisdictions;
- l) *non-voting member* means Affiliate, Student or such other category of non-voting member as shall be prescribed by the council from time to time and included in the articles and bye-laws
- m) *practising certificate* means the certificate and licence issued by the Institute in accordance with regulations made under these bye-laws;
- n) *public practice* means offering or providing accountancy services for reward other than as an employee;
- o) *regulation* means any regulation, code of conduct or standing order made, adopted or approved by council in accordance with these bye-laws;
- p) *relevant firm* means any firm which has undertaken to be bound by all or some of these bye-laws;
- q) the *secretary* means the secretary of the Institute or any other person appointed to perform the duties of the secretary of the Institute, including a joint, assistant or deputy secretary
- r) the *United Kingdom* means the United Kingdom of Great Britain and Northern Ireland.

1.2 Words in the singular shall include the plural and *vice versa*. Any reference to a statutory provision shall include where the context permits, the subordinate legislation made from time to time under that provision and any reference to a statutory provision shall include that provision as from time to time modified or re-enacted so far as such modification or re-enactment applies or is capable of applying to such reference.

1.3 Headings and sub-headings are for convenience only and shall not affect the interpretation of these bye-laws.

1.4 The council is appointed by the board in accordance with the articles of association of the Institute. The board has the power to delegate such powers to the council as it sees fit. The council exercises its powers under these byelaws in accordance with this delegated authority.

## **2. Application**

2. Unless otherwise provided, these bye-laws apply to full members and non-voting members of the Institute and to their relevant firms and to members of any bodies owned or controlled by it.

## **3. Membership**

3.1 The grades of membership of the Institute shall be as determined by council from time to time.

3.2 No individual shall be eligible for membership of the Institute at any grade of membership unless they have:

- a) passed the examination or examinations applicable for that grade;
- b) undertaken the period and type or types of accountancy experience required for that grade;
- c) satisfied the Institute that they are a fit and proper person;
- d) paid all the appropriate fees prescribed; and
- e) satisfied such other requirements as may from time to time be prescribed by the Institute,

provided that where an individual has passed an examination or examinations or submitted other certified evidence or prior learning competencies which in the opinion of the Institute is equivalent to the examination or examinations prescribed, the Institute may treat them as having passed such examination or examinations.

3.3 The council delegates to the executive power to admit members in accordance with these bye-laws and any regulations and the power to waive exemption fees or subscriptions in appropriate circumstances. The Institute may in its sole discretion grant, refuse or defer any application for admission or transfer to any grade of membership without giving any reason for doing so.

3.4 The council shall from time to time prescribe or provide for in regulations the conditions a person must satisfy to gain admission to membership of the Institute, which conditions may prescribe different requirements for different classes of persons and include provision for reciprocal membership for persons not otherwise satisfying the requirements of those regulations for that grade of membership.

## **4. Students**

4.1 Only persons who are students of the Institute shall be permitted to be entered for the examinations of the Institute.

4.2 An applicant must apply in writing in such form (which may include electronically), giving such undertakings and accompanied by such fees, as may be prescribed from time to time.

4.3 It shall be for an applicant to satisfy the Institute that they are eligible to become a student.

4.4 The council shall from time to time make regulations for students relating to any matter which it deems appropriate.

4.5 Upon and following admission as a student, the articles, the bye-laws and the regulations, policies and procedures for the time being in force shall apply to and bind every person so admitted for so long as they are a student, and, insofar as those documents provide, thereafter.

## **5. Register of Members and Records**

- 5.1 Every member shall make a return to the Institute in such form and at such time as the Institute may prescribe showing whether or not the member is in public practice and notifying a place of business and residence and nominate one of these as their registered address.
- 5.2 Each member must notify the Institute immediately of any change in their address(es) other than one which is merely temporary.
- 5.3 The Institute may process members' personal data subject to the provisions of the Data Protection Act 1998. In certain circumstances this may include disclosure of such data to third parties. This provision also applies to students.

## **6. Rights and Obligations of Members**

- 6.1 Upon admission to any grade of membership (including non-voting members), a member shall be entitled to receive a certificate showing their grade of membership.
- 6.2 No right or privilege conferred on a full member or non-voting member shall be transferable or transmittable either *inter vivos* or by operation of law or otherwise but instead such rights and privileges shall be personal to the full member or non-voting member and shall end when they cease to be a member of the Institute for whatever reason.
- 6.3 Upon and after admission to membership, the articles, bye-laws and regulations, policies and procedures and members' handbook for the time being in force shall apply to and bind every person so long as they are a member and in so far as those documents may provide, thereafter.
- 6.4 Every person shall, on applying for admission to membership, sign an undertaking that they will, if admitted, observe the provisions of the articles, bye-laws and regulations, policies and procedures and members' handbook in force from time to time for as long as they are a member and in so far as those documents may provide, thereafter.

## **7. Honorary Fellows**

- 7.1 Notwithstanding anything in clause 3 above, the council may confer the status of "Honorary Fellow" upon such persons as it, in its sole discretion, considers merit such an award in recognition of their work. This may be for a fixed or indefinite period.
- 7.2 On admission an Honorary Fellow shall undertake to be bound by the articles, bye-laws and regulations, policies and procedures to the extent that they apply to Honorary Fellows.
- 7.3 An Honorary Fellow may be liable to pay admission fees or an annual subscription and shall be eligible to be elected as a member of the council. All applications for Honorary Fellowship of the Institute shall be considered by the council.
- 7.4 The council may, in its sole discretion, remove the status of Honorary Fellow from a person to whom it has been given. The council shall not be obliged to give any reason for such removal.

## **8. Readmission to Membership**

- 8.1 Any former member may apply for readmission. Such application should be made in the same manner as the original application and it will be considered by the executive in accordance with the normal procedure, save that:
  - a) the executive shall have specific regard to the circumstances of their cessation as a member

- b) the executive may, in its absolute discretion, require them to pass further examinations and/or tests and or satisfy other requirements before it considers their application for readmission and
- c) a readmission fee prescribed by the Institute is payable on readmission.

8.2 No former member who has been excluded from membership as a result of the disciplinary procedures and been prohibited from applying for readmission to membership for a specified period may be readmitted prior to the expiry of such period.

## **9. Fees and Subscriptions**

9.1 The council shall make regulations governing when and how fees and subscriptions are payable and shall set the amounts for such fees and subscriptions.

## **10. Public practice**

10.1 The council shall from time to time make all such regulations to govern members in public practice as it shall consider necessary or desirable. Such regulations may (without limitation) prescribe or provide for:

- a) the restrictions which apply to full members, non-voting members, other individuals and relevant firms who are subject to the regulations in the conduct of public practice,
- b) the conditions for the grant, suspension withdrawal, or application of conditions to and renewal of practising certificates, which may provide for different types of certificate to be issued to different classes of person, the manner in which an application for a practising certificate shall be made, the procedure for appealing against a decision on such an application, the period of time for which a practising certificate shall remain valid and the fees payable for the issue or renewal of a practising certificate;
- c) the rules which apply to the holder of a practising certificate, including but not limited to the conduct of public practice and related activities;
- d) the acceptance of undertakings or agreements from persons other than members of the Institute as a condition for the issue of a practising certificate to them or to another person;
- e) the monitoring of compliance by persons subject to the regulations with the requirements of the regulations.

10.2 If a member offers accountancy services on a self-employed basis without a current practising certificate or they fail to renew their certificate after receiving a reminder, they shall be removed from membership of the Institute. There will be no need for them to go through the disciplinary process. If they wish to be readmitted to membership they may apply under the provisions of bye-law 8 above.

## **11. Supervisory Authority, Compliance and Monitoring**

11.1 The council shall from time to time make all such regulations as it shall consider necessary or desirable for the undertaking of the Institute's role as a supervisory authority under the Money Laundering Regulations or any other relevant legislation or regulation and the better monitoring of its members for the compliance with its bye-laws and regulations, policies and procedures and to ensure their undertaking best practice in their work and practice management. Such regulations may (without limitation) prescribe or provide for:

- a) the setting of rules and guidance in relation to the conduct of public practice including compliance with any legislation to combat money laundering or terrorist financing.
- b) the monitoring of compliance by persons subject to the regulations with the requirements of the regulations including the undertaking of visits and inspections to assess whether members comply with the best practice and these bye-laws.

- c) the monitoring of compliance by persons subject to the regulations with the requirements of the Money Laundering Regulations including the better undertaking of the Institute's role as a supervisory authority under the Money Laundering Regulations.
  - d) the appointment by the executive of persons to undertake monitoring visits on members including monitoring visits and assessments in the Institute's capacity as a supervisory authority under the Money Laundering Regulations.
- 11.2 Every member and relevant firm shall co-operate with the council and the Institute in the administration of the Institute's compliance and monitoring and shall immediately on request provide access to any assessor appointed by the Institute to their premises and all books and records of the member and their clients.
- 11.3 The executive may liaise, share information and intelligence with and otherwise co-operate with other supervisory bodies and any statutory body in the United Kingdom, or elsewhere, whose functions include the prevention of any offence under or the enforcement of the Money Laundering Regulations or any law in relation to money laundering or terrorist financing. Every member and relevant firm shall be deemed to permit (in so far as the same concerns them or any of their clients) any disclosure deemed expedient by the executive of information and intelligence and the Institute in accordance with the Institute's powers under this bye-law.
- 11.4 It shall be for every member and for any person to bring to the attention of the executive any facts or matters indicating that a member or relevant firm may have failed to comply with any provision of these bye-laws and any regulations or the Money Laundering Regulations and in any such case the executive shall arrange for the complaint to be dealt with through the disciplinary process.

## **12. Liability to Disciplinary Action**

- 12.1 Any full member or non-voting member shall be liable to disciplinary action if:
- a) they, in the course of carrying out their professional duties or otherwise have been guilty of misconduct;
  - b) they have performed their professional work or conducted their practice or performed the duties of their employment, improperly, inefficiently or incompetently to such an extent or on such number of occasions as to bring discredit to themselves or their practice, to the Institute, or to the accountancy profession;
  - c) they have committed any breach of these bye-laws or of any regulations, policies and procedures in respect of which they are bound;
  - d) in the case of a relevant firm, any person has in the course of the business of that firm committed any breach of these bye-laws or of any regulations, policies and procedures in respect of which they are bound;
  - e) in connection with attempts by the Institute to make arrangements with them for a monitoring visit, they fail to respond to communications from the Institute and/or fail to co-operate promptly and effectively as regards acceptable arrangements for the monitoring visit;
  - f) they have been disciplined by another professional body or under some other disciplinary process;
  - g) they are in arrears with their annual subscription for three months from the date on which payment became due;
- 12.2 Each of the grounds for disciplinary action shall be without prejudice to the generality of any of the other paragraphs in these bye-laws.
- 12.3 "Misconduct" includes (but is not limited to) any act of default likely to bring discredit to the member or relevant firm in question or to the Institute or the accountancy profession. The fact that a member or relevant firm has before a court of competent jurisdiction in the United Kingdom or in a superior

court of any country whose judgements are in the opinion of the council (or committee of council) relevant, pleaded guilty to or been found guilty of or found as fact to have engaged in of any offence discreditable to them, or as the case may be it, or derogatory to the Institute or the accountancy profession or has in any civil proceedings before any court of competent jurisdiction in the United Kingdom or in a superior court of any country whose judgements are enforceable in the United Kingdom been found to have acted fraudulently or dishonestly, shall be conclusive proof of misconduct. In deciding whether a member or relevant firm has been guilty of misconduct, regard may be had to any code of practice, ethical or technical, adopted by the council and to any regulation affecting full members, non-voting members and relevant firms laid down or approved by the council.

12.4 Fee disputes will not be dealt with through the disciplinary process.

### **13. Disciplinary Process**

13.1 Every full member and non-voting member shall co-operate with the council and the Institute in the administration of the Institute's disciplinary process.

13.2 It shall be for every full member, non-voting member and for any person to bring to the attention of the executive any facts or matters indicating that a full member, non-voting member or relevant firm may have become liable to disciplinary action; and in any such case the executive shall arrange for the case to be put through the disciplinary process.

13.3 The board shall, from time to time, prescribe in regulations the procedures under which a person may be disciplined and as to all other related matters.

### **14. District and Regional Societies, Branches and Other Membership Groups**

14.1 The council may form any district and regional societies, branches and other membership groups in any part of the world and may dissolve any such societies, branches or groups at any time. The council may from time to time make regulations for the governance and control of these societies.

### **15. Special Interest Groups and Faculties**

15.1 The council shall have power from time to time to establish and dissolve special interest groups or faculties of the Institute for members working in particular industries or occupations. Such groups or faculties shall not form an integral part of the Institute but shall nevertheless be subject to the direction of the council and the funds of such groups or faculties shall be Institute funds.

15.2 The constitution of each group or faculty established by the council and their membership (which may include persons who are not themselves members of the Institute) and the subscriptions, if any, to be charged to members of such groups or faculties and the constitution and functions of their committees and officers shall be determined by the council or a duly appointed committee thereof.

### **16. Other Regulations, Policies and Procedures**

16.1 The council may make (and vary) regulations, policies and procedures from time to time in relation to any matter referred to in these bye-laws or in relation to any other matter which it considers necessary or desirable. It shall also determine which of these regulations, policies and procedures should be subject to approval by the council and which may be delegated to the executive.