

CR 1 – Admissions, Readmissions and Membership and Notification Obligations



Issued 18 February 2021

1.1 Purpose

This Regulation sets out:

- (a) the requirements for admission of individuals to membership and provisional membership of CA ANZ;
- (b) the requirements for readmission, and admission of Affiliate Members and Practice Entity Members; and
- (c) Members' and Affiliate Members' notification and other membership obligations.

1.2 Definitions

- (a) Unless expressly defined in this Regulation, capitalised terms used in this Regulation are defined in By-Laws 2 and 39.
- (b) The terms **Accounting Technician**, **Associate Chartered Accountant** and **Chartered Accountant** have the same meaning given to those terms in Article 2 of the Supplemental Charter.
- (c) **Appeals Tribunal** in this CR 1 has the same meaning given to it in By-Law 40(1.1(d)).
- (d) **Principal** in this CR 1 has the same meaning given to that term in By-Law 39(r), namely it means any person, who is a principal of a Practice Entity or a principal, partner, director, officer or trustee of a Related Entity of the Practice Entity and includes:
 - (i) in the case of a Practice Entity or a Related Entity of the Practice Entity which is a partnership, a partner of that partnership;
 - (ii) in the case of a Practice Entity or a Related Entity of the Practice Entity which is a body corporate, a director of that body corporate;
 - (iii) in the case of a Practice Entity or a Related Entity of the Practice Entity that is conducted as a trust, an individual who, as an officer or employee of the trustee of that trust, or otherwise, provides or participates as a Principal in the provision of the services provided by the Practice Entity; and
 - (iv) in the case of a Practice Entity or a Related Entity of the Practice Entity, an individual who, as an officer or employee or otherwise, of the Practice Entity or Related Entity of the Practice Entity, provides or participates as a Principal in the provision of the services provided by the Practice Entity.
- (e) **Board** in this CR 1 has the same meaning given to that term in By-Law 2(k) and includes any delegate or sub-delegate of the Board pursuant to By-Law 133A.
- (f) A **Member in Public Practice** is a public accountant as defined in Article 2(z) of the Supplemental Charter.

1.3 By-Law provisions

Refer to By-Laws 7 to 18 for provisions relating to Member admission, and By-Laws 22, 22A and 22B for readmission.

Admissions Regulations

1.4 Application for admission to membership

- (a) An application for admission to membership must be in writing in the prescribed form together with any prescribed supporting documents and fees.
- (b) An application from an existing Member who wishes to transition to a different membership class will not be accepted where the Member has outstanding membership fees.

NZICA Rules

Refer to section 3 of the NZICA Rules for provisions relating to admission to NZICA and Rules 13.60 to 13.62 for provisions relating to readmission following removal or suspension of membership by order of the NZICA disciplinary bodies.

1.5 Fit and proper person requirements

- (a) In considering whether an applicant is a fit and proper person to be admitted to all forms of membership, the Board may have regard to:
 - (i) whether the applicant is of good fame, integrity and character; and
 - (ii) without limiting CR 1.5(a)(i):
 - A. whether the applicant has before any court of law in any jurisdiction pleaded guilty to, or been found guilty of, any criminal offence which has not been set aside on appeal, or a criminal charge is pending against them; or
 - B. whether the applicant has ever been subject to disciplinary action by a statutory, regulatory, professional or other body (including entering into enforceable undertakings); or
 - C. whether the applicant is or has ever experienced an Insolvency Event (as defined in By-Law 39(m)); or
 - D. whether the applicant is or has been subject to a notice not to manage a corporation, or has been refused any registration or license relevant to the provision of public accountancy services.
- (b) An applicant may be required to attend a personal interview, and to provide references.

Commentary

The following Regulations identify the normal admission requirements for these membership classes:

- CR 1.6 – Chartered Accountants;
- CR 1.7 – Associate Chartered Accountants; and
- CR 1.8 – Accounting Technicians.

*In addition, the requirements for admission to **provisional** membership of each of these classes are identified, immediately prior to the requirements for full membership of each class. Unlike those with full membership, Provisional Members do not have any voting rights at meetings of Members, and provisional membership does not involve the use of letters or abbreviations appearing after the Provisional Member's name.*

1.6 Normal Admission Requirements – Chartered Accountants

(a) Provisional Chartered Accountant

The requirements for admission to membership as a Provisional Chartered Accountant are:

- (i) a qualification that is assessed to be at least comparable to an Australian or New Zealand bachelor degree; and
- (ii) if required by the Education Board, passing an approved ethics examination; and
- (iii) registration for the Chartered Accountants Program.

(b) **Chartered Accountant**

The requirements for admission to membership as a Chartered Accountant are:

- (i) current Provisional Chartered Accountant membership; and
- (ii) at least 3 years of approved practical experience and demonstration of required workplace competencies; and
- (iii) successful completion of the Chartered Accountants Program.

If an application for admission to membership as a Chartered Accountant is made more than 1 year after the applicant successfully completed the Chartered Accountants Program modules, the applicant must also provide details of continuing professional development completed during the intervening period.

1.7 Normal Admission Requirements – Associate Chartered Accountants

(a) **Provisional Associate Chartered Accountant**

The requirements for admission to membership as a Provisional Associate Chartered Accountant are:

- (i) a qualification that is assessed to be at least comparable to an Australian or New Zealand bachelor degree, and have passed pre-requisite topics set by the Education Board; and
- (ii) if required by the Education Board, passing an approved ethics examination; and
- (iii) registration for the ACA professional competence requirements.

(b) **Associate Chartered Accountant**

The requirements for admission to membership as an Associate Chartered Accountant are:

- (i) current ACA provisional membership; and
- (ii) at least 2 years of approved practical experience and demonstration of required workplace competencies; and
- (iii) successful completion of the Associate Chartered Accountants professional competence requirements.

1.8 Normal Admission Requirements – Accounting Technicians

(a) **Provisional Accounting Technician**

The requirements for admission to membership as a Provisional Accounting Technician are:

- (i) registration in one of the approved pathways identified in CR 1.8(b)(i); and
- (ii) if required by the Education Board, passing an approved ethics examination; and
- (iii) where required, registration for the Accounting Technicians professional competence requirements.

(b) **Accounting Technician**

The requirements for admission to membership as an Accounting Technician are:

- (i) successful completion of any one of the following pathways:
 - A. an academic pathway consisting of approved academic study;
 - B. a vocational pathway, consisting of the AAT Diploma; or

- C. an experience pathway, involving an assessment of competence for admission to membership;
- (ii) at least 2 years of approved practical experience and demonstration of required workplace competencies; and
- (iii) successful completion of the Accounting Technicians professional competence requirements.

1.9 Special Admissions

(a) Recognition of members of other professional bodies

The Board has provided exemptions for members of certain other professional bodies to apply for admission to membership as a Chartered Accountant, Associate Chartered Accountant or Accounting Technician under By-Law 14 when the applicant is:

- (i) a current member in good standing of another professional body that has been recognised under a mutual recognition agreement; or
- (ii) a current member in good standing of another professional body that has been recognised for some exemptions either under a bilateral memorandum of understanding or unilateral exemption arrangement.

(b) Accounting academics

A current accounting academic may apply for admission to membership as a Chartered Accountant, Associate Chartered Accountant or Accounting Technician under By-Law 14 when the applicant:

- (i) holds a qualification in accounting or a related subject that is recognised as equivalent to a Doctorate or Masters level qualification in Australia or New Zealand; and
- (ii) is currently employed at lecturer level or above, and has been for at least 5 years, by one or more recognised universities or other registered higher education providers in Australia or New Zealand.

(c) Other forms of special admission

From time to time additional requirements may be specified by the Board to allow admission of an applicant under By-Law 14.

Readmission Regulations

Commentary

In accordance with By-Law 22, readmission is available when a Member has previously resigned their membership in accordance with By-Law 21 or Rule 3.8 of the NZICA Rules, or their membership has otherwise ceased for any reason (subject to terms and conditions imposed by the Board).

Such a reason could include where a Member has previously been excluded from membership in accordance with By-Law 23 (relating to mental health, non-payment of fees, or failure to fulfil continuing professional development requirements) or whose membership has been cancelled or suspended for a specified period by the Disciplinary Tribunal, Appeals Tribunal/Council or their predecessor bodies in accordance with By-Law 45(g)(i)(2) of the Former Professional Conduct By-Laws which were in effect prior to July 2016 (Former By-Laws) or By-Law 40 (10.12)(a) or (b) or Rule 13.51(a) or (b) of the NZICA Rules.

1.10 Eligibility for Readmission

- (a) Subject to the NZICA Rules, an individual who has been previously excluded from membership in accordance with either By-Law 45(g)(i)(1) or 45(g)(ii)(1) of the Former By-Laws, an entity previously excluded in accordance with Former By-Law 45(g)(iii) or a Member whose membership is terminated and whose name is removed from the Registers on which it appears in accordance with By-Law 40 (10.12)(a), is not entitled to be readmitted to membership except in accordance with By-Law 40 (13.13).

- (b) A Member whose membership was cancelled in accordance with Former By-Law 45(g)(i)(2) or suspended in accordance with By-Law 40 (10.12)(b) will not be automatically reinstated to membership at the conclusion of the suspension period but must lodge an application for readmission once the suspension period has concluded.
- (c) An individual who has previously had their membership terminated and/or their name removed from the register of members by order by the NZICA disciplinary bodies in accordance with NZICA Rule 13.51(a), is not entitled to be readmitted to membership except in accordance with Rules 13.60 to 13.61 of the NZICA Rules.
- (d) An individual whose membership has been suspended by order of the NZICA disciplinary bodies in accordance with NZICA Rule 13.51(b) will not be automatically reinstated to membership at the conclusion of the suspension period but must lodge an application for readmission once the suspension period has concluded and comply with the requirements of NZICA Rule 13.62.

1.11 Applicant to be a Fit and Proper Person

- (a) An applicant for readmission (where that applicant is an individual) must satisfy the same fit and proper person requirement that applies to all Members. In determining whether a person seeking readmission is a fit and proper person, the Board or its authorised representative may consider the matters identified in CR 1.5.

1.12 Additional criteria for all applicants for Readmission

- (a) In determining whether to readmit an applicant to membership, the Board or its authorised representative may also consider the following matters:
 - (i) whether the applicant is complying or will be able to comply with the Supplemental Charter, By-Laws and Regulations prescribing rulings on the standards of practice and professional conduct, including the technical standards and other pronouncements of CA ANZ and, in particular, whether the applicant has been involved in any circumstance which would have constituted a breach of CA ANZ's ethical requirements since previously holding membership;
 - (ii) where the Member had previously been excluded under By-Law 23(a) or (b), whether the grounds associated with their exclusion had been rectified;
 - (iii) whether the applicant has been undertaking Continuing Professional Development, as required of a Member under CR 7, or will undertake such courses as may be required by the Board;
 - (iv) whether the applicant has such knowledge or experience as could reasonably be expected of a Member;
 - (v) whether the applicant meets any other requirements from time to time prescribed by the Board; the decision of the Disciplinary Tribunal made pursuant to By-Law 40 (13.13); and.
 - (vi) the decision of the NZICA disciplinary bodies made pursuant to NZICA Rule 13.60.

1.13 Settlement of amounts outstanding

Following the expiry of any period of cancellation (suspension) of membership imposed by the Disciplinary Tribunal, Appeals Tribunal/Council or their predecessor bodies on an individual or entity, that individual or entity will only be entitled to seek readmission to membership if any outstanding amounts due to CA ANZ or to NZICA have been paid, or are being paid in accordance with an agreement.

1.14 Satisfaction of Sanctions

An applicant seeking readmission as a Member following cancellation (suspension) of membership by the Disciplinary Tribunal, Appeals Tribunal/Council or their predecessor bodies will be required to satisfy the Board that all the conditions as laid down by the Disciplinary Tribunal, Appeals Tribunal/Council or their predecessor bodies have been satisfied.

1.15 Bankruptcy or Insolvency

In the case of an applicant whose membership was cancelled (suspended) on the grounds of having suffered an Insolvency Event, the applicant will need to satisfy the Board that the Insolvency Event does not continue.

1.16 Continuing Professional Development

An applicant for readmission (where that applicant is an individual) following cancellation (suspension) of membership by the Disciplinary Tribunal, Appeals Tribunal/Council or their predecessor bodies shall provide evidence of Continuing Professional Development activities for the whole of the period of cancellation (suspension) of membership.

1.17 References

An applicant for readmission as a Chartered Accountant shall provide references from 3 individual Members of CA ANZ in support of their readmission, provided that:

- (a) at least 1 of these individual Members shall have known and had contact with the applicant for the whole of the period since cessation of membership; and
- (b) the other individual Members shall have known the applicant for at least 3 years.

1.18 Interview

An applicant for readmission may be required to attend a personal interview.

1.19 Fees and Subscriptions

An applicant for readmission will be required to pay readmission fees as determined by the Board.

- (a) Readmission fees will be capped at an amount decided by the Board and reviewed annually.
- (b) An individual's readmission fees will be:
 - (i) waived for applicants seeking readmission following their resignation if the application for readmission is made within 6 months of resignation; and
 - (ii) reduced in extenuating circumstances, at the discretion of the Board or its authorised representative.

1.20 Status on Readmission

- (a) Unless a Disciplinary Tribunal, Appeals Tribunal/Council or their predecessor bodies has ordered to the contrary, an applicant who is approved for readmission will be admitted to the form of membership held prior to their resignation or cessation of membership or, in the case of a former Fellow, as determined by the Board, and:
 - (i) recommence their membership from the readmission approval date, provided that in the case of those Members who resigned their membership in accordance with By-Law 21 and were readmitted to membership more than 12 months after such resignation, such periods of prior membership before readmission will not be aggregated with the recommenced period of membership for the satisfaction of any requirement dependent on length of membership; or
 - (ii) if their exclusion was the result of non-payment of fees or their membership ceased due to resignation and the period of non-membership did not exceed 12 months, their membership will be considered to have continued from their original admission date.
- (b) An individual's status on readmission may be varied at the discretion of the Board or its authorised representative.

1.21 Additional activities

The Board may require an applicant for readmission (where that applicant is an individual) to complete additional Continuing Professional Development and/or all or any part of the Chartered Accountants Program where the Board or its authorised representative has formed the view that such additional activities should be a condition of the individual's readmission.

Affiliate Members

1.22 Eligibility for Affiliate membership

- (a) If a Member resident in New Zealand is intending to practise with a non-member principal, the requirements set out in the NZICA Rules apply. A non-member principal approved under the NZICA Rules would only be eligible for Affiliate membership where they were a principal of a practice together with Members who held a Certificate of Public Practice (**CPP**) issued in accordance with CA ANZ's Regulations (as distinct from a CPP issued in accordance with the NZICA Rules).
- (b) A person who is eligible to become a Member under By-Law 14 is not eligible for Affiliate membership.
- (c) An application for Affiliate membership will be declined if approval will lead to a Practice Entity which is entitled to use the Chartered Accountants description exceeding the ratio set out in CR 9.6(c) (i.e. that the number of Affiliates in a practice must not exceed the number of individual Members who are Principals in a Practice Entity).

1.23 Applicant to be a Fit and Proper Person

In determining whether a person seeking admission as an Affiliate Member is a fit and proper person to be admitted, the Board may have regard to the matters identified in CR 1.5.

1.24 Pre-requisite requirements

The following conditions shall be met in relation to the approval of any person as an Affiliate Member. An applicant will:

- (a) possess a minimum of 5 years full-time, post qualification experience in either accountancy services or another area of expertise; and
- (b) be a graduate of an Australian or New Zealand University or hold a qualification that is considered by the Board or their delegated representative to be at least comparable to an Australian or New Zealand bachelor degree; and
- (c) provide a written statement of support for the application from at least one individual Member who is a Principal of the same Practice Entity as the applicant; and
- (d) agree to be bound by the standards of practice and professional conduct and by the discipline of CA ANZ; and
- (e) demonstrate a satisfactory understanding of the ethical and public practice requirements of CA ANZ; and
- (f) if an applicant is unable to meet the requirements of either (a) or (b) above, the Board may approve an application on consideration of the applicant's professional standing in their area of practice.

1.25 Interview

An applicant for Affiliate membership may be required to attend a personal interview.

1.26 Professional Indemnity Insurance

On application and at the request of CA ANZ an Affiliate Member will confirm the existence of a contract of professional indemnity insurance which:

- (a) is valid and binding; and

(b) meets at least the minimum requirements set out in CR 2A.

1.27 Quality Control

On application and at the request of CA ANZ an applicant will agree to comply with CR 2.15 and confirm that systems and procedures of quality control in accordance with APES 320 (Quality Control for Firms) have been established and are maintained.

1.28 Letterheads

The name of an Affiliate Member in a Practice Entity may be shown on the business stationery and web site of the Practice Entity of which they are a Principal of a Practice Entity. Where this is done, the Affiliate Member's name and status (viz: Affiliate CA ANZ) and membership of any other professional body must be shown. The Affiliate Member shall not be described as a Chartered Accountant, Associate Chartered Accountant, or Accounting Technician in any manner or form. A breach of this regulation is deemed to be unprofessional conduct on the part of the Affiliate Member and any Members associated with the breach.

1.29 Compliance with CR 9.6(c)

- (a) Subsequent to the approval of the application for Affiliate Membership, if the Affiliate Members in a practice exceed the ratio set out in CR 9.6(c), CA ANZ must be notified immediately.
- (b) If the number of Member Principals in a Practice Entity or their share in the Practice Entity changes such that the entity is no longer in compliance with the requirements of CR 9.6(c), the Practice Entity must remedy the defect within 90 days of becoming aware of the defect (or such other period as agreed by CA ANZ in writing), otherwise all Affiliate Memberships associated with the Practice Entity automatically cease.

1.30 Affiliate Membership dependent on being a Principal of a Practice Entity

- (a) Affiliate Membership is dependent upon an Affiliate Member continuing to be a Principal of a Practice Entity.
- (b) If an Affiliate Member ceases to be a Principal of a Practice Entity their Affiliate Membership automatically ceases.

1.31 Application Fees

An applicant for Affiliate Membership shall pay:

- (a) at the time of lodging the application, the prescribed fee; and
- (b) at the direction of the Board, the subscription for Affiliate Members for the current year.

1.32 Annual Fees

The annual fees payable by an Affiliate Member shall be equivalent to fees for the individual Members who are Principals in the same Practice Entity.

1.33 Professional Standard Council Levies

An Affiliate Member shall pay, at the direction of the Board, the Professional Standards Council levy as prescribed.

Practice Entity Members

1.34 Eligibility for Approval

Only a Practice Entity which may describe itself as Chartered Accountant(s) as defined under CR 9.6(c) will be eligible for Practice Entity Membership, unless otherwise approved by the Board.

1.35 Practice Entity Representative

An applicant for Practice Entity Membership must appoint as a Practice Entity representative an individual Member who is a Principal in the Practice Entity and who holds a CPP. This representative will provide the undertakings identified in CR 1.36, and be responsible for the provision of information by the entity and for the payment of the entity's fees.

1.36 Practice Entity Representative's Undertakings

Practice Entity Membership shall only be approved where the following written undertakings are provided:

- (a) that CA ANZ will be notified immediately of:
 - (i) any change of Practice Entity representative; or
 - (ii) any change in directors, shareholders or Principals of the Practice Entity which cause the Practice Entity Member to cease to comply with the requirements of CR 9.6(c); or
 - (iii) any change in Practice Entity name; or
 - (iv) any change in the Practice Entity's principal business address;
 - (v) any change in the nature of the Practice Entity's principal business; and
- (b) that the Practice Entity representative will provide such information relating to claims data and/or professional indemnity insurance arrangements as may be requested from time to time to comply with the ongoing reporting requirements under Professional Standards legislation.

1.37 Obligations

Practice Entities granted membership of CA ANZ must ensure that the conditions applying to that Membership continue to be met. Failure to comply with the undertakings and obligations of Practice Entity Membership will lead to cessation of Membership at the expiration of 30 days from the date of the breach.

1.38 Professional Indemnity Insurance

On application and at the request of CA ANZ a Practice Entity Member will confirm the existence of a contract of professional indemnity insurance which:

- (a) is valid and binding; and
- (b) meets at least the minimum requirements set out in CR 2A.

1.39 Quality Control

On application and at the request of CA ANZ a Practice Entity Member will agree to comply with CR 2.15 and confirm that systems and procedures of quality control in accord with APES 320 have been established and are maintained.

1.40 Change of Practice Entity Representative

It is the responsibility of the Practice Entity Member to ensure that at all times a Practice Entity representative has been appointed and is authorised to provide the undertakings required in CR 1.36. Should the Practice Entity representative no longer hold this position, a new Practice Entity representative must be appointed within a commercially realistic timeframe. The Practice Entity representative must provide the written undertakings required in CR 1.36 to CA ANZ within 30 days of its appointment.

Notification obligations

1.41 Change in particulars (By- Law 30)

- (a) By-Law 30 requires every Member (including Affiliate Members) to advise the CEO of any changes to the following particulars 'as soon as reasonably practicable':
 - (i) his or her principal place of business;

- (ii) the nature of such business; and
 - (iii) his or her principal place of residence.
- (b) For the purposes of By-Law 30, the Board has determined the term 'as soon as reasonably practicable' to mean within 30 days after the change occurs and that it is sufficient to advise the CEO of the changes to the particulars by:
 - (i) logging into CA ANZ's Members portal and updating the particulars directly; or
 - (ii) emailing or telephoning the CA ANZ Customer Service Centre, whose contact details can be found at <https://www.charteredaccountantsanz.com/contact-us>.

1.42 Change in contact details

- (a) Each Member (including each Affiliate Member) must notify CA ANZ of any changes to the following contact details as soon as reasonably practicable (and in any event within 30 days) after the change occurs:
 - (i) his or her principal business email address;
 - (ii) his or her principal business telephone number;
 - (iii) his or her principal business mobile telephone number,
- (b) The Member can do this by:
 - (i) logging into CA ANZ's Members portal and updating the changes to the contact details directly; or
 - (ii) emailing or telephoning the CA ANZ Customer Service Centre, whose contact details can be found at <https://www.charteredaccountantsanz.com/contact-us>.

1.43 Membership Subscription Renewal

Each Member is required to complete the notifications declaration requested by CA ANZ as part of the annual membership subscription renewal process.

Commentary

As part of the subscription renewal process CA ANZ will seek important information from Members. The type of information requested includes the number of hours of continuing professional development completed during the year, any registrations or licences a Member holds and the type of professional activity the Member is undertaking. This assists CA ANZ developing its monitoring activities and services to Members.

Public Practice Requirements

1.44 Public Practice Regulations

All Members in Public Practice, all Affiliate Members and all Practice Entity Members are required to comply with the requirements of CR 3.