

Application by a Principal in a Chartered Accounting firm for

Affiliate Membership

(Regulation CR1)

Please fill in the your **Membership Number**, if known (please use a **BLACK** pen)

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Please complete **ALL** the sections (1–13) below, and return the application with payment to Chartered Accountants Australia and New Zealand (CA ANZ) (see page 9 for contact details). **Please print in BLOCK LETTERS.**

Section 1 – Personal details

Title Mr Mrs Ms Miss Other

Given name/s (in full) Family name

Preferred name Date of birth

Section 2 – Contact details

1. Residential contact details

Street address Suburb/City

State Postcode Country

Email (preferred) Email (alternative)

Phone (home) Phone (business) Mobile

2. Mailing contact details (if different to above)

Company name (if applicable)

Position title

Street address Suburb/City

State Postcode Country



Section 3 – Professional experience

Please list details of your employment. (Please attach additional pages to this application if space provided is insufficient.)

Company Name

Company street address Suburb/City

State Postcode Country

Position title

Employment type Full-time Part-time at hours per week

Duration of employment

Firm type Chartered CPA Public Accounting Other (please specify)

Company Name

Company street address Suburb/City

State Postcode Country

Position title

Employment type Full-time Part-time at hours per week

Duration of employment

Firm type Chartered CPA Public Accounting Other (please specify)

Company Name

Company street address Suburb/City

State Postcode Country

Position title

Employment type Full-time Part-time at hours per week

Duration of employment

Firm type Chartered CPA Public Accounting Other (please specify)

Section 4 – Australian Registrations/Authorities

Please indicate whether you hold any of the following registrations/authorities.

	Yes	No	Registration number
1. Are you a Registered Company Auditor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
2. Are you a Registered Company Liquidator?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
3. Are you a Registered Tax Agent?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
4. Are you a Registered BAS Agent?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
5. Are you a Registered Trustee in Bankruptcy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
6. Are you a Registered Tax (Financial) Advisor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
7. Are you an Approved SMSF Auditor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>
8. Are you a reviewer of Second Tier Companies Limited by Guarantee in accordance with the <i>Corporations Act 2001</i> ?	<input type="checkbox"/>	<input type="checkbox"/>	
9. Do you provide, or are you a director of a company that provides, personal advice on investments, superannuation or life insurance under an Australian Financial Services Licence?	<input type="checkbox"/>	<input type="checkbox"/>	

If you answered NO, please go to question 10.

If you answered YES:

a) which situation(s) apply/ies to you personally?

- i) I personally hold an AFS Licence
- ii) I am an authorised representative under an AFS Licence
- iii) I operate under a corporate authorised representative under an AFS Licence
- iv) I am a director of an entity which holds an AFS Licence
- v) I am an employee or other Representative (other than the above) under an entity which holds an AFS Licence

b) What is your Financial Adviser Number (per ASIC's Financial Advisers Register)?

c) What type of AFSL do you operate under?

- Full Limited Limited authority under a full licence

d) Name of the licence holder

e) AFS Licence Number

f) What type of client do you provide services to?

- Retail Wholesale Retail and Wholesale

10. Australian Credit Licence (ACL)

a) I personally hold an ACL

Yes No

b) I am a representative of an ACL

Yes No

If you ticked 'Yes' to either 10(a) or 10(b) please provide the following details:

Full name of the ACL

ACL number

Section 5 – Area of expertise

Please indicate below the area of expertise in which you have at least five (5) years of experience and provide a brief summary of your experience in the field.

Section 6 – Tertiary qualifications

Please list the details of your tertiary qualifications. **Certified copies** of the **original degree certificate(s)** and **full, final academic transcripts** must also be attached to this application. (Please attach additional pages to this application if space provided is insufficient.)

QUALIFICATION 1:

Country of tertiary institution	<input type="text"/>	
State (in Australia)	<input type="text"/>	
Name of tertiary institution (eg. university / college)	<input type="text"/>	
Date commenced	<input type="text" value="/ /"/>	-----> Date completed <input type="text" value="/ /"/>

QUALIFICATION 2:

Country of tertiary institution	<input type="text"/>	
State (in Australia)	<input type="text"/>	
Name of tertiary institution (eg. university / college)	<input type="text"/>	
Date commenced	<input type="text" value="/ /"/>	-----> Date completed <input type="text" value="/ /"/>

Section 7 – Membership of accounting professional associations or statutory authorities

Name of association	<input type="text"/>	
Date admitted	<input type="text" value="/ /"/>	-----> Is membership current? <input type="checkbox"/> Yes <input type="checkbox"/> No
Name of association	<input type="text"/>	
Date admitted	<input type="text" value="/ /"/>	-----> Is membership current? <input type="checkbox"/> Yes <input type="checkbox"/> No
Name of association	<input type="text"/>	
Date admitted	<input type="text" value="/ /"/>	-----> Is membership current? <input type="checkbox"/> Yes <input type="checkbox"/> No

Section 8 – Public Practice Program

Please cross the appropriate box regarding the Public Practice Program: (please cross only **ONE** option from A, B or C)

A. I have undertaken the CA ANZ's Public Practice Program → Completed on:

B. I request an exemption from the CA ANZ's Public Practice Program as I have completed the following course:

CPA Public Practice Program (please attach documentation evidencing your completion) → Completed on:

Partners Program approved by CA ANZ → Completed on:

Section 9 – Privacy Statement and Declarations by Applicant

PRIVACY STATEMENT

IMPORTANT: YOUR CONSENT TO DISCLOSURE

By providing personal information to us in this form you consent to CA ANZ:

- (a) Disclosing to third parties, including representatives of your firm, or any members affected by your membership status, any actual or likely changes to your status as a member or candidate of CA ANZ, including but not limited to, the outcome of this application form.
- (b) Disclosing to regulators, law enforcement bodies, professional associations and government or statutory bodies the details of any final adverse determinations (including sanctions) in relation to your professional and/or ethical conduct that are made by CA ANZ's Professional Conduct bodies; and
- (c) Collecting from third parties information relating to your membership of a trade or professional association or union, your criminal record (if any), your health, religious beliefs or affiliation, racial or ethnic origin and any other sensitive information to the extent that it is reasonably necessary for one or more of the functions or activities of CA ANZ.

We collect, use and disclose your personal information in connection with your application, the management and administration of members and/or programs, the provision of products and services and/or to communicate with you.

If you do not provide your personal information, we may be unable to process your application. We may disclose your information to agents, contractors and service providers such as where we outsource functions and to other third parties such as local and international professional bodies, ASIC and other regulators and government bodies. By completing this form, unless you opt-out, you consent to us also using and disclosing your information for promotional and marketing purposes. You can opt-out or change your communication preferences by contacting us at privacy@charteredaccountantsanz.com or on 1300 137 322 in Australia or 0800 469 422 in New Zealand. We may also have collected information about you from a third party, for instance from other professional bodies with which we have reciprocal arrangements. Your information will also be used and disclosed as set out in CA ANZ's Privacy Policy, available at www.charteredaccountantsanz.com/privacy. It is likely that your personal information will be disclosed to overseas recipients (as provided in our Privacy Policy, including the location of those entities). The Privacy Policy sets out how CA ANZ handles your personal information including how you can seek to access and correct your information or raise a privacy concern with us and how it will be dealt with as well as details about the disclosure of your information to entities overseas.

This Privacy Statement also applies to and is adopted by the New Zealand Institute of Chartered Accountants (**NZICA**). NZICA may collect, store, use and disclose your personal information in the performance of its regulatory functions under the New Zealand Institute of Chartered Accountants Act 1996 (NZ) in accordance with this Privacy Statement.

CA ANZ is formed in Australia. Our members are not liable for our debts and liabilities.

I have read, understood and agree to CA ANZ's Privacy Policy and the important information contained in the Privacy Statement above.

Additional Provisions for EU data subjects

The following additional provisions apply to you if the (EU) 2016/679 General Data Protection Regulation (**GDPR**) applies to you. GDPR will apply to you if you are or become a resident of the member states of the EU, Norway, Iceland and Liechtenstein (**EU data subjects**).

Lawful grounds: Under the GDPR, we are permitted to process your information for the purposes described above, by relying on one or more of the following lawful grounds: (a) you have explicitly agreed that we may process your information for a specific reason; (b) the processing is necessary to perform the agreement we have with you or to take steps to enter into an agreement with you; (c) the processing is necessary for us to comply with our legal obligation; or (d) the processing is necessary for our legitimate interests, which include: (i) to protect our business interests; (ii) to ensure that complaints, including complaints about member conduct, are appropriately investigated; (iii) to evaluate, develop or improve our products and services; or (iv) to keep our members informed of relevant products and services, unless you indicate that you do not wish us to do so. We generally rely on your specific consent to process special categories of personal data (i.e., 'sensitive information'). However, in some cases (for example, relating to an alleged offence), we may need to use some of that information to comply with our legal obligations.

Withdrawing your consent: Where you have consented to our processing of your information (including special categories of personal data), you may withdraw your consent at any time. To do so, contact us using the details set out in our Privacy Policy. In some cases we may lawfully continue to process your information even after you withdraw your consent, by relying on the legal bases described above. Other important information such as transferring your personal data outside the European Economic Area information, your specific GDPR rights over your personal data and how and when we retain and destroy your personal data is explained in our Privacy Policy.

We would like to send you relevant marketing materials about our products, services, activities and events. Please tick this box if you are happy for us to send such direct marketing materials by post and electronic means. You can opt-out at any time by following the directions set out in the Privacy Statement and Privacy Policy.

Please cross the relevant box to the following questions.

(Note: If you answer 'yes' to any of the below questions, please attach details.)

- a) Have you ever been before any court of law in any jurisdiction in Australia or elsewhere and 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 you? Yes No
- b) Have you ever been subject to disciplinary action by a statutory, regulatory, professional or other body? Yes No
- c) Are you presently or have you ever been adjudged bankrupt, have you made an assignment for the benefit of your creditors or have you executed an authority under Part X of the *Bankruptcy Act 1966*? Yes No
- d) Are you presently or have you been subject to a notice not to manage a corporation as provided in Part 2D.6 of the *Corporations Act 2001*, or been refused registration for any of the registrations identified in CR2? Yes No

Please indicate your consent and acceptance of these undertakings by signing below.

- I have read and agree to be bound by CA ANZ's Supplemental Royal Charter, By-Laws and Regulations (and the NZICA Act and NZICA Rules to the extent they apply to me), all applicable Codes of Ethics, guidelines and any documents prescribing any ruling on the standards or practice and professional conduct, including the technical standards, as required by CA ANZ and NZICA (if applicable) including the APES110 Code of Ethics for Professional Accountants.

- I agree to abide by the lawful decisions of the CA ANZ Board and NZICA Regulatory Board (if applicable) and any Regional or Local Council, Professional Conduct body, Standing or other Committees or Officer of CA ANZ or NZICA (if applicable) who may, in accordance with the Supplemental Royal Charter or the By-laws, NZICA Act or NZICA Rules (if applicable) have delegated functions or powers to make lawful decisions.
- I understand that I will be subject to Quality Review.
- I recognise that an essential element of my acceptance by CA ANZ as an Affiliate is the undertaking given by the Practice Entity,
(Company name)
- I recognise that should I cease to be a Principal of the Practice Entity I will no longer retain my Affiliate membership.
- I acknowledge that in completing this form or applying for Affiliate membership (as the case may be), if I am resident in, or practice the profession of accountancy in, New Zealand at any time, in addition to my CA ANZ membership, I will also be admitted as a member of the NZICA and subject to the regulatory requirements applicable to members in New Zealand, [available here](#). In consideration of CA ANZ's and NZICA's (if applicable) evaluation of my suitability for CA ANZ and (if applicable) NZICA membership, I understand and agree that confirmation of my responses will be sought.
- I understand that these checks may include, but are not limited to, criminal history and verification of my qualifications and professional membership(s). If CA ANZ or NZICA collect any 'sensitive information' (as defined in applicable privacy laws) about me, I understand such sensitive information will only ever be used to the extent that it is reasonably necessary for one or more of the functions or activities of CA ANZ and/or NZICA (as applicable) or as otherwise permitted under applicable laws.

By signing this form below, I declare that the information provided in this form is complete, true and correct. This form can be signed by manual signature or electronic signature (whether digital or encrypted). If this form is signed by electronic signature, it will have the same force and effect as a manual signature

Signature	<div style="border: 1px solid black; height: 40px;"></div>	Full name	<div style="border: 1px solid black; height: 20px;"></div>
		Date	/ /

Section 10 – Practice details

Please note: It is essential you read the ‘Explanatory Notes’ (see page 10 –12) prior to the completion of this section.

1. PRACTICE ENTITY DETAILS

Name of Practice Entity (if different to name on letterhead)

Type of Practice Entity: Partnership Company Trust Other (please specify)

(Note: please attach a copy of the practice’s letterhead to this application)

2. PRACTICE STRUCTURE DIAGRAM

Where the firm is comprised of a partnership, combination of entities and individuals, please attach a diagram of the practice structure or otherwise outline the details for the organisation.

3. PRACTICE ENTITY MEMBERSHIP

Where the practice is a corporate entity, is it approved as a Practice Entity Member of CA ANZ?

Yes → Please submit a *Change of Practice Entity Membership Details* form; and go to Section 11

No → Please complete Question 4 overleaf

4. PRACTICE ENTITY PARTICIPANTS (INCLUDING APPLICANT)

4.1 Please list all partners/directors/trustees of the practice entity:

Name	% holding in Practice Entity (if any)	Actively involved in the provision of professional services		Chartered member who holds a CPP with CA ANZ OR has made separate application for a CPP		Affiliate member of CA ANZ		Membership Number
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Subtotal		%						

4.2 Please list all practice entity participants and principals not otherwise listed in 4.1 above:

Name and role (eg. trustee, principal, salaried partner, etc.)	% holding in Practice Entity	Actively involved in the provision of professional services		Chartered member who holds a CPP with CA ANZ OR has made separate application for a CPP		Affiliate member of CA ANZ		Membership Number
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Subtotal		%						

4.3 Please list all non-member owners not otherwise listed in 4.1 and 4.2 above:

Name	% holding in Practice Entity	Actively involved in the provision of professional services	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Subtotal			%
Subtotals 4.1 – 4.3 = Total			%

Section 11 – Undertaking by a Practice Entity in relation to the admission of an Affiliate to the Practice Entity

I, the undersigned, being an individual member (CA or FCA) of Chartered Accountants Australia and New Zealand and a partner/principal in

(Name of company),

a practice entity (as defined in Article 2(e) of the Supplemental Royal Charter) which may describe itself as 'Chartered Accountants' seek, for and on behalf of all the partners/principals in the practice entity, the consent of the Board for entry into that practice entity of

(Name of applicant),

as partner/principal and for that practice to retain the right, privilege and ability to continue to describe itself as 'Chartered Accountants' subsequent to such entry which will take/has taken effect as from:

/ /

In support of this application, I confirm for the appointee, not being a member of CA ANZ, that:

1. The type of service to be provided by the appointee is not inconsistent with the provision of public accountancy services
2. The appointee's principal occupation will be with the practice entity
3. The appointee is a person of good personal reputation
4. The appointee possesses a minimum of 5 years full-time experience in either accountancy services or another area of expertise
5. In consideration for approval by the Board being given, I, for and on behalf of all the partners/principals in the practice entity, hereby undertake to comply with the following conditions:
 - a) To advise CA ANZ of any changes in the circumstances referred to above
 - b) To ensure that the entity will, at all times, be effectively controlled by members of CA ANZ of Chartered Accountants with the number of Affiliates not exceeding one half (½) of the number of member partner/principals
 - c) To ensure that the total share of Affiliates and associated persons and entities in the capital, financial results and voting rights of the practice entity shall be less than one half (½) (loans by Affiliates and associated persons and entities being treated as capital for such purpose)
 - d) To ensure that the applicant does not describe or hold himself out personally to be a Chartered Accountant
 - e) To ensure that if the Affiliate's name appears on letterhead and business cards, the Affiliate's status with CA ANZ is shown together with membership of any other professional body (refer CR1).

By signing this form below, I declare that the information provided in this form is complete, true and correct. This form can be signed by manual signature or electronic signature (whether digital or encrypted). If this form is signed by electronic signature, it will have the same force and effect as a manual signature

Being authorised to sign for and on behalf of all the partners/principals in the practice entity (CA or FCA ONLY)

Your full name (Name/surname)

Membership number

Signature

Date / /

Section 12 – Payment details

APPLICATION FEE PAYABLE: AU\$570

→ Yes, I authorise CA ANZ to deduct the application fee of **AU\$570** from my credit card (see payment details provided to the right)

PAYABLE BY:

Chartered Accountants Amex
 Amex Visa MasterCard Diners Club

Card number

Expiry date /

Cardholder name

Cardholder signature

FEES:

1. Application fee

You must pay the \$570 application fee when submitting the application form.

2. Affiliate subscription fees

CA ANZ membership subscription is based on a financial year (July to June). A pro-rata fee applies if the application is made in any month other than July. The annual subscription fee can be found on our website.

The Affiliate subscription fee is calculated from the date of commencement as a partner/principal/director in the practice. If you have already commenced practice please refer to the late lodgement fee section in point 4:

3. Professional Standards Council (PSC) levy

The PSC levy is determined on the number of principals within a firm. However, for the first year the levy is set at \$66 (incl. GST and admin fee).

4. Late lodgement fee

Applications are required to be lodged prior to the date of intention to commence relevant activities; otherwise a late lodgement fee is incurred.

Where the commencement of relevant activities was in a prior year the fees payable are:

1. The subscription fee for the current year as mentioned above, and
2. 25% of the sum total of the Affiliate subscription fees that would have been paid during the period since you became a Partner/Principal/Director.

NOTE: CA ANZ will calculate the relevant fees due, and an invoice will be sent to you for payment once the application is finalised.

Section 13 – Documentary requirements/checklist

Please indicate which of the following is attached to your application:

Certified original copy of tertiary qualifications (degree certificates and transcripts)

Firm letterhead

Declaration completed and signed

Payment/Payment authorisation

Copy of PI Insurance certificate of currency

Section 14 – Submitting your application form

HOW TO SUBMIT YOUR FORM

Please email your completed form to:

EMAIL assessment@charteredaccountantsanz.com

OR



If you have a 'digital signature' simply click the submit button

ANY QUESTIONS

If you have any questions you can contact the Service Centre at:

EMAIL service@charteredaccountantsanz.com

PHONE **AUSTRALIA** 1300 137 322

+61 2 9290 5660 (outside of Australia)

8AM–6PM (AEST) Monday – Friday (excl. Public Holidays)

NEW ZEALAND 0800 4 69422

+64 4 474 7840 (outside of New Zealand)

8AM–6PM (NZ time) Monday – Friday (excl. Public Holidays)

WEBSITE charteredaccountantsanz.com

Affiliate Membership

It is essential you read the following notes prior to the completion of your Affiliate Membership Application.

ELIGIBILITY FOR APPROVAL

CR1

When the applicant is a member of a professional accounting body, consideration is to be given as to whether the applicant is eligible to become a member of CA ANZ under By-Law 12 (Special Admission). If it is determined that membership under By-Law 12 is appropriate the application will be treated thus. In the event that the By-Law 12 application is unsuccessful approval as an affiliate member will then be considered.

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 CR9 ie. that the number of affiliates in a practice must not exceed the number of individual members who are practice entity participants, subject to CR1.

GLOSSARY OF TERMS

Affiliate and affiliate member means a natural person who participates with individual members in a practice entity, who is not a Fellow or Chartered Accountant or entitled to be admitted to membership as a Fellow or Chartered Accountant, who has been admitted to membership in accordance with the By-Laws and the Regulations.

AFS Licensee means an individual or body corporate or partnership authorised by an AFS licence to provide particular financial services.

Authorised representative of an AFS Licensee

A person authorised to operate under the licence of an AFS licence holder. Authorised representatives are recorded on an Authorised Representatives Register.

Chartered firm means any partnership, trust or body corporate or unincorporate in or through which persons who are Members in public practice, or include a Member or Members in public practice, provide professional services to clients which is entitled to describe itself as 'Chartered Accountants' in accordance with CR9.

Full AFS Licensee

An individual or body corporate or partnership holding a licence issued by ASIC to provide financial services other than solely those services specified under "Limited AFS Licensee" For example, an AFS licensee who can provide financial product advice about securities (rather than 'class of product advice' about securities) is not a limited AFS licensee because financial product advice about securities is not covered in the list below.

Limited AFS Licensee

The term 'limited AFS licensee' describes individuals, companies and any other firms which hold an AFS licence that authorises them to provide *only* one or more of the following limited financial services:

- **Financial product advice** about:
 - self-managed superannuation funds (SMSFs)
 - a client's existing superannuation holdings, to the extent required for making a recommendation to establish an SMSF or providing advice to a client on contributions or pensions under a superannuation product.

- **Class of product advice** about:
 - superannuation products
 - securities
 - simple managed investment schemes
 - general insurance products
 - life risk insurance products
 - basic deposit products.
- **Arranging to deal in an interest in an SMSF.**

Practice means a business providing professional services including services which require the holding of a current Certificate of Public Practice by the individual Member who is a Principal.

Practice entity means a partnership, an incorporated company, trust or any combination or partnership of these by or through which the member performs any of the functions of a member in public practice.

Practice entity participant or **Participant** means a person who is a principal of a practice entity.

Practice entity representative means an individual member holding a Certificate of Public Practice with CA ANZ who is authorised by an applicant for Practice entity membership of CA ANZ to provide the undertakings required by CR1.

Principal of a practice entity includes:

- (a) In the case of a Practice Entity which is a partnership a partner of that partnership
- (b) In the case of a Practice Entity which is a body corporate, a director of that body corporate
- (c) In the case of a Practice Entity which 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
- (d) An individual who, as an officer or employee of the practice entity, or otherwise, provides or participates as a principal in the provision of the services provided by the practice entity.

Principal in relation to a Practice means any person, who is a principal of the Practice or a principal, partner, director, officer or trustee of a related Entity of the Practice.

Factors to consider in determining whether a person is a principal of a practice entity include whether:

- They have responsibility for the standard of professional work undertaken by the practice entity and management of the practice's activities, including: client selection and retention, determining the terms of the professional engagement, the type and quality of professional services provided, risk management, and the exercising of professional judgement in ethical and technical matters
- Their individual acts are binding on the practice or other principals of the practice
- They have the potential for personal liability for the practice's liabilities
- They have a role in the governance of the practice

- They have responsibility for signing off on professional engagements
- They are acknowledged in the PI policy of the practice as a person responsible for professional engagements
- They are promoted to clients and potential clients as the person responsible for professional engagements
- The perception of clients and suppliers of the member is of a person who is able to bind the practice
- A principal, partner, director, officer or trustee of a related entity of the practice may also be considered to be a principal of a practice entity.

Note: The absence of an equity holding in the practice by the member is not a conclusive factor in determining whether a member is a principal. Similarly an ownership interest in a practice is **not** necessarily the sole factor in determining whether a member is a principal of a practice entity. For example, an employee is not considered to be a principal merely where a share in ownership is incorporated into their employee remuneration package.

Representative of AFS Licensee

You are a 'representative' of an AFS licensee if you are:

- an 'authorised representative' of that AFS licensee
- an employee or director of the AFS licensee
- an employee or director of a related body corporate of the AFS licensee, or
- otherwise acting on behalf of the AFS licensee

USE OF DESCRIPTION 'CHARTERED ACCOUNTANT/S' AND/OR CHARTERED ACCOUNTANTS LOGO

In accordance with CR9, the description "Chartered Accountant/s" and the Chartered Accountants logo may be used by a practice entity where:

(a) The following conditions are met:

- all the practice entity participants are Chartered Accountants or affiliate members; and
- all such Chartered Accountants hold and continue to hold a current Certificate of Public Practice; and
- the number of affiliate members in the practice entity does not exceed the number of Chartered Accountants who are practice entity participants; and
- the total share of affiliate members and their associated persons and entities in the capital, financial results and voting rights of the practice entity does not exceed one half (1/2) (loans by affiliate members and their associated persons and entities being treated as capital for such purpose); and
- provided that practice entity at all times uses the description "Chartered Accountant/s" and the Chartered Accountants logo in accordance with the current Chartered Accountants Australia and New Zealand Brand Style Guide.

OR

(b) as approved by the Board

Where non-member owners are influencing the standard of professional work undertaken by the practice, this is deemed to be a breach of CR9 by those members who are principals of that practice.

Where any breach of CR9 is a result of a change of member participants and the practice entity undertakes to remedy the defect within a commercially realistic timeframe there will be no deeming of unprofessional conduct.

COMMENTARY

While recognising the evolving nature of the marketplace and the likelihood that innovative practice structures will arise in the future CA ANZ's focus has been on the principle of the individual responsibility of members for control over the standard of professional work. Rather than formulating a set of prescriptive rules CA ANZ relies on this principle to support and underpin the Chartered Accountants brand while guiding members in how they choose to structure their practice. If there is any doubt about whether an entity is entitled to use the description 'Chartered Accountants' and the Chartered Accountants logo, guidance and advice should be sought from CA ANZ's Professional Standards Team. If necessary, specific approval can be given by the Board under CR9 to a particular structure.

DEFINITIONS AND ASSUMPTIONS

Members should have regard to the definitions in the By-Laws when reading this Commentary, particularly Chartered firm, Practice entity, Practice entity member and Practice entity participant. CR1 contains a definition of Practice entity representative. CR2 contains a definition of Principal of a practice entity and the factors to consider in determining whether a person is a Principal in relation to a practice entity (or its related entities).

Directors, including non-executive directors, trustees, authorised representatives of non-member owners, and practice entity representatives of a practice entity are assumed to be involved in the governance of the practice entity and in a position to influence the standard of professional work undertaken by that practice. Therefore in Chartered firms:

- All directors, including non-executive directors, and trustees must be individual members holding Certificates of Public Practice with CA ANZ, or affiliate members
- All practice entity representatives must be individual members holding Certificates of Public Practice with CA ANZ

In such Chartered firms individual and affiliate members must exercise control in the following areas of practice management:

- Client selection and retention
- Determining the terms of the professional engagement
- The type and quality of professional services provided
- Risk management
- The exercising of professional judgement in ethical and technical matters
- Signing off engagements.

EXAMPLES

Practice entities that are recognised as compliant with CR9 and described as Chartered firms include:

- An individual member, being a sole practitioner, practising in the member's own name, a firm name, through a company or through a trust
- A partnership in which all the partners are individual or affiliate members, or practice entities entitled to use the description 'Chartered Accountants' and the Chartered Accountants logo
- A company in which all the directors are individual or affiliate members, and all the shareholders are individual or affiliate members, or practice entities entitled to use the description 'Chartered Accountants' and the Chartered Accountants logo
- A trust in which all the participants and the trustees are individual or affiliate members, or practice entities entitled to use the description 'Chartered Accountants' and the Chartered Accountants logo
- Any combination or partnership of the above practice structures.

Chartered firms are entitled to use the description 'Chartered Accountant(s)' and the Chartered Accountants logo and include those where all the Principals/practice entity participants are (**see table below**):

Principals/practice entity participants	Practice structures – Chartered Firms				
Individual member/s	Sole practitioner	Partnership	Company	Trust	Combination
Individual + affiliate members		Partnership	Company	Trust	Combination
Affiliate member/s*		Partnership *	Company *	Trust *	Combination*
Individual member/s + practice entity member/s		Partnership	Company	Trust	Combination
Affiliate member/s*+ practice entity member/s		Partnership *	Company *	Trust *	Combination*
Individual member/s + affiliate member/s + practice entity member/s		Partnership	Company	Trust	Combination
Individual member/s + practice entity/ies entitled to use the description 'Chartered Accountants' and the Chartered Accountants logo		Partnership	Company	Trust	Combination
Affiliate member/s* + practice entity/ies entitled to use the description 'Chartered Accountants' and the Chartered Accountants logo		Partnership *	Company *	Trust *	Combination*
Individual member/s + affiliate member/s + entity/ies entitled to use the description 'Chartered Accountants' and the Chartered Accountants logo		Partnership	Company	Trust	Combination

* Only where the practice entity associated with the affiliate member is recognised by CA ANZ as practising in conjunction with the practice entity that supported the affiliate member/s application for membership of CA ANZ.

CR9 does not permit the use of the description 'Chartered Accountants' nor the Chartered Accountants logo by a practice entity in which individual, affiliate or practice entity members practise with non-member owners who are actively involved in the provision of professional services, unless the professional services provided by them are clearly distinguished from those provided by the member/s; for example, Chartered Accountants and Solicitors.

Generally in Chartered firms the role of non-member owners is limited to being a non-participating shareholder of a company or beneficiary of a trust; as such non-member owners could not be involved in the provision of professional services in a practice entity entitled to use the description 'Chartered Accountants' nor the Chartered Accountants logo.

Practice entities that are unable to rely on the description Chartered Accountants under CR9 include (**see table below**):

Principals/practice entity participants	Practice structures				
Only Affiliate member/s	Sole practitioner	Partnership*	Company *	Trust *	Combination*
Individual member/s + Non-member/s		Partnership	Company	Trust	Combination
Affiliate member/s + Non-member/s		Partnership	Company	Trust	Combination

* Except where the practice entity associated with the affiliate member is recognised by CA ANZ as practising in conjunction with the practice entity that supported the affiliate member/s application for membership of CA ANZ.

COMMON BRAND NAMES

A common brand name includes common initials or a common name. A practice entity is considered to be using a common brand name if it includes, for example, the common brand name as part of, or along with, the business name of the practice entity, on the entity's business stationery or website.

It is not acceptable to have different 'offices' of Chartered firms practising under a common name using different descriptions (for example, Chartered Accountants, Certified Practising Accountants or Public Accountants) unless it can be demonstrated that they are quite separate entities. This distinction must be clearly evident to members of the public.

MONITORING

Chartered firms may be requested to provide appropriate evidence of compliance with CR9. Compliance with this requirement is monitored by CA ANZ to protect and safeguard the brand:

- In the approval process for practice entity membership under Regulation CR1
- In the approval process for Certificates of Public Practice under Regulation CR2
- As part of the Quality Review Program
- As part of CA ANZ's operational procedures to ensure the integrity and accuracy of the member database is maintained in accord with members' obligations under the By-Laws.