

Application by an individual member authorised by practice entity member applicant

# Practice Entity Membership

Please fill in the Practice Entity's **Identification Number**, if known (please use a **BLACK** pen)

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Please complete **ALL** the sections (1 – 8) below, and return the application with payment to Chartered Accountants Australia and New Zealand (CA ANZ) (see page 4 for contact details). **Please print in BLOCK LETTERS. Note:** It is essential that you read the 'Explanatory Notes' on pages 5-7 **prior** to completing this form.

## Section 1 – Practice details

Name of incorporated practice entity member

Trading as (if different from above)  ABN/ACN

### 1. Business contact details

Street address  Suburb/city

State  Postcode  Country

PO Box address

State  Postcode  Country

Email

Web address

Phone (business)   Mobile

### 2. Preferred business postal address

Street address  PO Box address

**Please note:** Where the practice entity applicant is:

- Not a corporate entity, or
- Comprised of a partnership, combination of entities or entities and individuals, please attach the **organisation details** and a **practice structure diagram**.

If this is a new practice entity, please advise the commencement date:

 /  /

## Section 2 – Practice entity representative and CPP holder details

CR1 requires that a practice entity representative, being:

- An individual member, holding a CPP with CA ANZ
- Who is a principal in the practice entity
- Authorised by the practice entity member applicant shall complete, personally sign and submit the application form together with such accompanying documentation (see page 4) as required by CA ANZ.

Title  Mr  Mrs  Miss  Ms  Other

Given name/s (in full)  Family name

Preferred name  Membership Number (if known)

Phone (business)   Mobile

## Section 3 – Practice entity participants

**Note:** It is essential you read the 'Explanatory notes' (pages 5 – 7) prior to the completion of the *Practice Entity Membership* application.

### 3.1 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"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Subtotal</b>	<input type="text"/>	%						

### 3.2 Please list all practice entity participants and principals not otherwise listed in 3.1 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"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Subtotal</b>	<input type="text"/>	%						



## Section 6 – Undertakings by the practice entity representative

I, the undersigned, being a member of Chartered Accountants Australia and New Zealand (CA ANZ) holding a Certificate of Public Practice and a person authorised by the practice entity member and a partner/principal in

(Company name),

a practice entity member (as defined in Article 2(ea) of the Supplemental Royal Charter) which may describe itself as 'Chartered Accountants', advise my appointment as practice entity representative.

**In support of this appointment, I** (please cross each box):

- |  |  |
|--|--|
| <input type="checkbox"/> Confirm that all individuals/entities with responsibility for the standard of professional work undertaken as a practice entity participant or principal of the practice entity have been named in this form and agree to provide such evidence of the practice entity participants as required by CA ANZ | <input type="checkbox"/> Confirm the existence of a contract of professional indemnity insurance which: is valid and binding; and meets at least the minimum requirements set out in Regulation CR 2A  |
| <input type="checkbox"/> Undertake that on any change in directors, shareholders or principals of the practice entity by which the practice entity member ceases to comply with the requirements of CR9 relating to Public Practice, CA ANZ will be notified immediately   | <input type="checkbox"/> Confirm that systems and procedures of quality control appropriate to the practice have been established and are maintained, and agree to comply with Regulation CR 2   |
| <input type="checkbox"/> Undertake that on any change of practice entity representative, CA ANZ will be notified immediately   | <input type="checkbox"/> Undertake to provide CA ANZ with 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 |
|  | <input type="checkbox"/> Undertake to advise CA ANZ as requested from time to time of the information required to comply with the requirements of the Professional Standards Council and Scheme then in force.   |

**Practice entity representative's signature on behalf of practice entity**

Full name

Date

/  /

## Section 7 – Payment details

**Fees payable: Note:** (incl. of 10% GST when applicable)

1. Application fee	AUS\$	<input type="text" value="570.00"/>
2. PSC levy (including GST)	AUS\$	<input type="text" value="66.00"/>
<b>Total payable</b>	<b>AUS\$</b>	<input type="text" value="636.00"/>

**Payable by:**

- Chartered Accountants Amex  
 Amex     Visa     MasterCard     Diners Club
- Card number     /     /
- Expiry date  /
- Cardholder name
- Cardholder signature

## Section 8 – Checklist

**I have completed:**

- All the relevant sections (1 – 7)  
 Payment authorised

**Attached the following:**

- Copy of business letterhead  
 Copy of full ASIC company extract (including director(s) listing)  
 Copy of PI Insurance certificate of currency  
 Organisation details/Practice structure diagram, if applicable (see **Section 1** of this form)

### HOW TO SUBMIT YOUR FORM

Please email your completed form to:

**EMAIL** [assessment@charteredaccountantsanz.com](mailto: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](mailto: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](http://charteredaccountantsanz.com)

# Practice Entity Membership application

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

## ELIGIBILITY FOR APPROVAL

Unless otherwise approved by the Board, only a practice entity which may describe itself as 'Chartered Accountant(s)' as defined under CR9 will be eligible for Practice Entity Membership. Such evidence of the practice entity ownership and control as required by CA ANZ is to be provided on application for Practice Entity Membership.

## 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.

**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.

**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 Regulation CR1.

**Principal of a practice entity** includes:

- In the case of a Practice Entity which is a partnership a partner of that partnership
- In the case of a Practice Entity which is a body corporate, a director of that body corporate
- 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
- 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.

## USE OF DESCRIPTION "CHARTERED ACCOUNTANT(S)" AND/OR CHARTERED ACCOUNTANTS LOGO

The description "Chartered Accountant/s" and the Chartered Accountants logo may be used by a practice entity:

(a) where 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 the Board forms the view that non-member owners are influencing the standard of professional work undertaken by the practice this is deemed to be a breach of CR9.

Unless approved by the Board, a breach of CR9 is deemed to be unprofessional conduct on the part of any members associated with the breach.

Where the 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. CR 1 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 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				
	Sole practitioner	Partnership	Company	Trust	Combination
<b>Individual member/s</b>		Partnership	Company	Trust	Combination
<b>Individual + affiliate members</b>		Partnership	Company	Trust	Combination
<b>Affiliate member/s*</b>		Partnership *	Company *	Trust *	Combination*
<b>Individual member/s + practice entity member/s</b>		Partnership	Company	Trust	Combination
<b>Affiliate member/s*+ practice entity member/s</b>		Partnership *	Company *	Trust *	Combination*
<b>Individual member/s + affiliate member/s + practice entity member/s</b>		Partnership	Company	Trust	Combination
<b>Individual member/s + practice entity/ies entitled to use the description ‘Chartered Accountants’ and the Chartered Accountants logo</b>		Partnership	Company	Trust	Combination
<b>Affiliate member/s* + practice entity/ies entitled to use the description ‘Chartered Accountants’ and the Chartered Accountants logo</b>		Partnership *	Company *	Trust *	Combination*
<b>Individual member/s + affiliate member/s + entity/ies entitled to use the description ‘Chartered Accountants’ and the Chartered Accountants logo</b>		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.

## BOARD RECOGNITION

The Board has recognised Chartered firms as compliant with the principles of CR9 in the following circumstances:

- A share in ownership of the practice is incorporated into the employee remuneration package, where the shares or units issued to these employees are limited to a non-voting category of shareholding or interest. In such circumstances it is accepted that such employees do not exercise any control or influence, either directly or indirectly, over the standard of professional work undertaken by the practice and the responsibility to ensure that all aspects of the practice are conducted in accordance with the technical, professional and ethical standards laid down by CA ANZ remains that of the individual and affiliate member principals of the practice entity
- Shares or units issued to employees do not represent a material interest in an entity whose ownership is widely held, such as a listed entity

## 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 Chartered Accountants ANZ to protect and safeguard the brand:

- in the approval process for practice entity membership; and
- in the approval process for Certificates of Public Practice; and
- as part of the Quality Review Program; and
- as part of Chartered Accountants ANZ's operational procedures to ensure that the integrity and accuracy of the member database is maintained in accord with members' obligations under By-Law 30.