

# **THE NEW LICENSING REGIME**



**FREQUENTLY ASKED  
QUESTIONS (FAQs)**

# FREQUENTLY ASKED QUESTIONS (FAQs) ON THE NEW LICENSING REGIME

## 1. I have heard about the new licensing regime. What is it exactly?

Practicing accountants are licensed to offer services in their desired areas of accountancy but ensuring that one can demonstrate the specialised expertise for their choice.

Two types of certificates are currently issued; Certificate of Practice to provide all types of accountancy services and Certificate of Practice to provide non-assurance services.

## 2. What do you mean by non-assurance services?

Non-assurance services are those services which are not auditing, review or other assurance services, and may include; accounting and bookkeeping, advisory, valuation, taxation, company secretarial, insolvency and financial planning among others.

## 3. How do I apply for a Certificate of Practice?

In order to be registered as a practicing accountant and granted a Certificate of Practice, you need to;

- (a) Be a full member of ICPAU in good standing;
- (b) Possess the relevant practical experience for your chosen field of service;
- (c) Submit an up-to-date CV detailing the relevant experience in the areas you wish to practice;
- (d) Submit information on your professional indemnity insurance;
- (e) Submit your CPD return and record showing compliance with the CPD requirements for the year preceding your application;
- (f) Be a fit and proper person to hold a certificate of practice;
- (g) Submit a letter of recommendation from your present, or most recent, employer or supervisor (it should contain details of work undertaken for the referee);
- (h) Pay the applicable practising fees; and
- (i) Submit your completed application form for registration as a practicing accountant.

## 4. I do not have sufficient Continuing Professional Development (CPD) hours in the previous year – what should I do?

Before you apply for a Certificate of Practice for provision of non-assurance services, ensure that you have fulfilled the requirements for CPD.

## 5. I am a new applicant; how will you determine the type of certificate I qualify for?

When you apply for a Certificate of Practice, you must be able to demonstrate recent, relevant work experience in the areas in which you intend to practice.

Specifically, you need to have mandatory experience of at least 3 years obtained from an accounting firm or reputable organisation.



**6. How do I prove this experience?**

You will be required to provide a completed experience form detailing the experience obtained in the desired areas of practice and a letter of recommendation from the supervisor or employer under whose supervision you worked. It is preferred that this letter of recommendation is from a licensed practising accountant.

**7. I have never worked in an accounting firm but have been a finance manager at my organisation for the last 5 years. Do I have the relevant practical experience?**

You will be required to provide a completed experience form detailing the experience obtained in the desired areas of practice and a letter of recommendation from the employer.

**8. How do you assess my fit and proper status?**

In order to protect the public, we ensure that you are a fit and proper person to be granted a certificate of practice. This assessment includes:

- (a) Inquiries to determine whether you have any disciplinary or criminal history that might affect your application; and
- (b) Inquiries to assess whether you have the necessary experience and competence to conduct the services you intend to perform.

We also ensure that your practice activities will be covered by appropriate Professional Indemnity Insurance (PII).

**9. I currently hold a Certificate of Practice that allows me to provide all accounting services, how does the new licensing regime affect me?**

Existing practising accountants whose performance at quality assurance review necessitates disciplinary and/or regulatory action may be restricted from providing audit and assurance services where the Quality Assurance Board and the Council deems so. In such circumstances, a certificate of practice to provide only non-assurance services will be issued to the affected practitioner even if that practitioner previously held a certificate of practice for all accountancy services.

**10. Can a holder of a certificate of practice for provision of non-assurance services execute audits and other assurance services?**

No, this category of certificates of practice permits the holder to only provide non-assurance services. The certificate holder is excluded from providing audit and assurance services. Providing services not authorised under your Certificate of Practice will result in disciplinary action.

**11. Does anyone who engages in activities other than auditing and assurance services require a certificate of practice?**

Yes. It is an offence to practice without a Certificate of practice. Practising without a Certificate of Practice will result in disciplinary action.

**12. What is the validity period of the certificate of practice for provision of non-assurance services?**

All certificates of practice are valid up to the 31<sup>st</sup> day of December of the calendar year in which they are issued.

**13. What is required to renew the certificate of practice for provision of non-assurance services?**

- Payment of annual subscription fees;
- Payment of the practicing fees for the certificate of practice;

- Pass the fit and proper assessment;
- Submission of the CPD return and record; and
- Submission of the annual practice return (The annual practice return information should be completed and submitted to ICPAU to help them understand and collate information about the structure and profile of practices as well as helping to select and plan monitoring visits)

#### **14. Do I require additional documentation if I am a non-Ugandan?**

Yes, you will be required to submit a copy of your work permit and a Police/Interpol clearance letter in addition to the usual requirements.

#### **15. How will ICPAU monitor the performance of the practising accountant offering non-assurance services?**

ICPAU recognises that the accountancy profession is under intense scrutiny and as such the regulatory approach used aims at supporting practicing accountants whilst also working in the public interest. ICPAU will perform practice monitoring of practising accountant offering non-assurance services, this will cover the regulatory and compliance processes implemented by the practising accountant.

#### **16. How often will the practice monitoring be conducted?**

The practice monitoring regime is designed to support the work of practicing accountants by reassuring the public and other regulators that practicing accountants are complying with regulatory requirements. The practice monitoring will be conducted on a risk-basis in cycles not exceeding six years.

#### **17. What is required of the practising accountant during practice monitoring?**

All practising accountants shall cooperate fully and promptly with practice monitoring by:

- Cooperating with the reviewers appointed by the Quality Assurance Board.
- Using best endeavours to accommodate a practice monitoring visit on the date notified.
- Providing such information as may be requested in advance of a practice monitoring visit.
- Providing access to client files and other documents and records.
- Providing full responses to any questions or inquiries.

#### **18. Which particular areas of the client work are reviewed by ICPAU during the practicing monitoring?**

- Client file structure, standard documentation, consistency of approach, compliance with applicable requirements for instance, the appropriate financial reporting standards and disclosure requirements.
- Review of staff documentation including training records.
- Adherence to professional standards, regulations and best practice guidance.
- Practice management and adherence to best practice in the prevailing regulated areas such as insolvency practice, investment business, etc.

#### **19. I am a member of another accountancy body - can I practice accountancy in Uganda?**

You will be required to obtain the ICPAU membership before applying for registration as a practicing accountant.

## **20. Can I partner with a non-member?**

Under Section 28(3) of the Accountants Act, 2013 your accounting firm will not be licensed unless every partner in the firm is a member of ICPAU and holds a valid practising certificate. In addition, the professional code of ethics prohibits a CPA from entering into professional business with a person who is not a CPA.

## **21. Are all partners required to obtain Certificates of Practice?**

Yes. All partners in the firm are required to register as practicing accountants and obtain Certificates of Practice [refer to Section 28(3) of the Accountants Act]. It does not matter whether such partners do not actually engage actively in the work at the firm, or that they are resident outside Uganda, they would still be required to obtain a Certificate of Practice.

## **22. Can the partners in a firm hold different types of Certificates of Practice?**

Yes, one partner may have a Certificate of Practice to provide all types of accountancy services, while the other has a Certificate of Practice to provide non-assurance services.

## **23. Can a holder of a certificate of practice apply for a Certificate to provide all types of accountancy services?**

A change in the type of certificate held can only be granted by the Council. Such applicant will need to satisfy the Council, at the point of application, that they meet all the requirements to hold a Certificate to provide all types of accountancy services.

## **24. Do I need to register an accounting firm in order to provide non-assurance services?**

You are not mandated to register an accounting firm. However, it may be advantageous to do so. You may register an accounting firm following all the necessary required procedures.

## **25. If I meet all the requirements, how do I register an accounting firm?**

You should submit an application for approval of firm Name for Council's approval. The application can be sent by email to [standards@icpau.co.ug](mailto:standards@icpau.co.ug) for Council's approval. Once it gets approved, you may then register your firm with Uganda Registration Services Bureau.

## **26. What do I consider in coming up with the firm name?**

Regulation 2 of the Accountants (Practice) Regulations, 2019 requires that the name of the accounting firm shall;

- Comply with the requirements of the law under which the accounting firm is to be registered;
- Be consistent with the dignity of the accountancy profession;
- Not be misleading or confused with the name of another firm;
- Not make any reference, actual or implied, to any symbolic, cultural, political, religious, sectarian or discriminatory classification or association;
- Not be offensive; or
- Not be directly or indirectly associated with or suggest any connection with any Government agency, parastatal or non-government organization.

## **27. How do I submit my application for registration as a practising accountant?**

Applications are currently submitted in hard copy using the approved forms. An online application platform for new applicants will soon be rolled out.

## **28. How long does the process take?**

If you have submitted all the required documentation, the licensing process should normally not take more than 3 months.

### 29. When does firm inspection take place?

Before your certificate of practice and firm license are granted, you firm shall be inspected in accordance with the requirements under section 33(1) of the Accountants Act, 2013.

### 30. What are the fees applicable?

- Fees are set by the Council on an annual basis.
- Current rates: UGX 550,000 (firm license) and UGX 1,250,000 (Certificate of Practice) for each practising accountant, UGX 500,000 (Annual membership renewal).

### 31. What happens once I have been granted a Certificate of Practice?

Once you have a Certificate of Practice, there are a number of obligations that you will need to fulfill.

Among others, these obligations include:

- (a) to maintain professional knowledge and skill at the level required to ensure that clients receive competent professional service; and
- (b) to act diligently in accordance with applicable technical and professional standards when providing professional services.

We are here to help, so please contact us if you would like advice or support.

### 32. How do I get further guidance?

For further inquiries, please contact us at [standards@icpau.co.ug](mailto:standards@icpau.co.ug).

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