

Need for a practising certificate (PC)

Under Rule 16(1) of the Institute Rules, a member cannot engage in public practice unless they hold a practising certificate.

I have enclosed a copy of the Guide “When is a Practising Certificate required?”, together with a copy of the Public Practice Regulations for your information.

In terms of Regulation 3.2:

“A Member must hold, or be specifically exempt from holding, a Practising Certificate in order to engage in Practice in the European Union.”

As you will see from page 2 of the enclosed “When is a Practising Certificate required?” guide, what constitutes practice covers a lot of activities. The Public Practice Committee, which determines such matters, has taken the view that members engaged in IT/management/financial consultancy work should be required to hold a practising certificate and professional indemnity insurance cover.

Work which can be undertaken, as a member, without the need for a practising certificate is work which is, either, done for free or, done on a sub-contract basis. Members could also become a full PAYE employee, on the payroll of a company. If a member worked for someone else’s firm, ie they were only an employee, they would not require a practising certificate. However, if they were the person setting up the company, then they would be required to hold a practising certificate even though, technically, they were doing the work in the name of “ABC & Co”.

If a member is thinking of developing business plans for a company, putting funding structures in place, looking at how a business is run and/or sorting out the restructuring of a business, a practising certificate will be required.

If there is any question as to whether or not a practising certificate is required, members are asked to write in, with details of the nature of the work they wish to undertake, as this requires to be placed before the Public Practice Committee.

It should be noted that members out with the UK and EU states do not need a practising certificate unless they have work in the UK, or the firm audits a UK registered company.