

**Direction 105 issued under Part 3 of Schedule 4 to the Legal Services Act 2007 to the Institute of Chartered Accountants in England and Wales (ICAEW)**

1. This is a direction issued pursuant to paragraph 19(3) of Schedule 4 to the Legal Services Act 2007 (the Act).
2. Unless stated otherwise, words in this direction are used as they are defined in the Act.
3. In accordance with paragraph 19(3) of Schedule 4 to the Act, the Board has directed that the following alterations by ICAEW to its regulatory arrangements be treated as exempt alterations for the purposes of paragraph 19(2)(c) of Schedule 4:

**ICAEW Disciplinary Bye-laws**

*Proposed changes*

- Minor changes requested by the Privy Council Office which the ICAEW undertook to make in 2016
- Changes required by the Financial Reporting Council as a consequence of the ICAEW's successful application to be a Recognised Supervisory Body for Local Audit in October 2015
- Changes to include reference to legal services provision consequent upon the ICAEW's first year of licensing as an Approved Regulator and Licensing Authority for the reserved legal service of probate
- Changes required to deal with the practicalities of the Regulatory Governance changes that have emerged since the implementation in 2015 of new regulatory governance arrangements, mainly around quorums.
- A series of changes to address issues arising from fitness to practice and case law on disciplinary action in the UK
- Expansion of the disciplinary arrangements to Foundation Qualification Holders and students

***Reason for exemption direction***

4. The proposed alterations are to changes to the Disciplinary Bye-laws which, in relation to non-legal services activities of ICAEW members, came into force on 3 October 2016 after receiving approval from the Privy Counsel. The purpose of the ICAEW application is to bring members who undertake legal services activity within the remit of the Bye-laws. This could not be done until the LSB had approved the changes under Schedule 4 of the Act. The LSB has taken into account that the Disciplinary Bye-laws were approved by the Privy Council in September 2016.
5. A copy of the alteration was submitted to the Board on 22 November 2016.
6. This direction is to be deemed made on and to be effective from 6 December 2016