

**Direction 125 issued under Part 3 of Schedule 4 to the Legal Services Act 2007 to the Association of Chartered Certified Accountants ('ACCA')**

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 Legal Services Board (the Board) has directed that the following alterations to regulatory arrangements be treated as exempt alterations for the purposes of paragraph 19(2)(c) of Schedule 4:

*Alterations to the following regulations in order to implement the Insurance Distribution Directive ('IDD'):*

- *The Chartered Certified Accountants' Designated Professional Body Regulations 2001 (DBPRs)*
- *The Chartered Certified Accountants' Irish Investment Business Regulations 2013 (IIBRs)*
- *The Chartered Certified Accountants' Global Practising Regulations 2003 (GPRs)*

**Background**

4. The ACCA is a Designated Professional Body (DPB) under Part XX of the Financial Services and Markets Act 2000 ("**FSMA**"). As a result the ACCA is able to regulate firms which are exempt from authorisation by the Financial Conduct Authority ("FCA") to carry out activity that may involve providing, facilitating or arranging insurance products for their clients.
5. The Insurance Mediation Directive (IMD) is being replaced by the IDD. European Union Member States are required to implement the IDD by 1 July 2018.
6. The FCA has a principle oversight role in approving changes in DBPs' regulatory arrangements to implement the IDD, in accordance with relevant provisions of FSMA. In order to comply with the FCA's statutory authority on this matter, the ACCA sought approval from the FCA on its proposals. On 14 June 2018, the FCA approved the proposed rule changes in accordance with s332(5) of the FSMA 2000. The ACCA sent a copy of the approval to us.
7. The LSB also has an approval role, as the ACCA regulates firms undertaking reserved legal activities (probate) and the proposed changes are regulatory arrangements which fall under section 21 of the Act. The LSB therefore needs to approve these under Schedule 4.

**Reason for exemption direction**

8. The amendments to ACCA's regulations do not represent a change in regulatory policy or approach, they are to implement the IDD. The LSB has taken into account that the rule changes proposed by the ACCA were approved by the FCA. This has provided assurance to the LSB that the changes are compliant with the IDD.

9. This direction is to be deemed made on and to be effective from 26 June 2018.

**For and on behalf of the Legal Services Board**  
**26 June 2018**