Direction 207 issued under Part 3 of Schedule 4 to the Legal Services Act 2007 to the Institute of Chartered Accountants in England and Wales

1. This is a direction to exempt alterations pursuant to paragraph 19(3) of Schedule 4 to the Legal Services Act 2007 ("**the 2007 Act**").

2. Unless stated otherwise, words in this direction are used as they are defined in the 2007 Act.

3. In accordance with paragraphs 19(3) and (4) of Schedule 4 to the 2007 Act, the Legal Services Board ("**LSB**") directs that the alterations made by the Institute of Chartered Accountants in England and Wales ("**ICAEW**") to its Disciplinary Byelaws (DBLs) are to be treated as exempt alterations for the purposes of paragraph 19(2)(c) of Schedule 4.

Background and proposed changes

4. On 27 August 2026, the ICAEW submitted a request to the LSB for a direction to exempt specified alterations to its DBLs[1].

5. The DBLs form part of the ICAEW's disciplinary framework. They were last substantively amended in 2022, with the amendments taking effect in 2023.

1. The ICAEW's request concerns three areas of proposed amendment:

   (a) a new DBL 9A.1 concerning the 'Transfer of Cases to the Local Audit Office (or relevant successor body)'[2];

   (b) the introduction of a constructive engagement process for low-level audit matters; and,

   (c) amendments reflecting ICAEW's revised organisational naming structure and associated naming conventions.

2. Based on the information provided, the first two areas do not concern the regulation of reserved legal activities, have not been assessed by the LSB and are outside the scope of this direction.

3. Therefore the alterations within the scope of this direction are limited to amendments to the DBLs that update ICAEW's organisational naming conventions, including: (a) replacing references to the "Professional Standards Department" with references to the "Regulation & Conduct Division"; (b) making consequential changes to relevant role titles; (c) replacing references to the "ICAEW Regulatory Board" with references to the "ICAEW Regulation & Conduct Board"; and (d) making related consequential terminology changes.

[1] Request for Exempt Alteration - ICAEW Disciplinary Bye-laws
[2] Local audit reform: a strategy for overhauling the local audit system in England - GOV.UK

4. Although the alterations are administrative and low risk, they are not limited to correcting drafting, grammar, punctuation or pronouns and, are not minor consequential changes arising from an alteration previously approved by the LSB. Therefore they do not fall under the General Exemption (ED181).

Reasons for the exemption direction

5. The LSB's overriding concern is to ensure that the interests of consumers and the wider public are protected and promoted.

6. Having considered ICAEW's request and the information provided we are satisfied that the alterations are confined to internal department name and role title changes, with no alterations to internal responsibilities.

7. The alterations do not change regulatory or disciplinary standards, or the treatment of any individual or group and as such we consider them to be minor and low risk and do not foresee any material impact on consumers or the regulatory community.

8. We consider that the alterations are compatible with the regulatory objectives and the Better Regulation Principles and that they are proportionate and targeted to ICAEW's revised organisational naming conventions, while having no material impact on access to justice, consumer protection or the substantive operation of ICAEW's disciplinary framework.

9. This direction is approved on and effective from 17 September 2026.

For and on behalf of the Legal Services Board
17 September 2026