



LEGAL SERVICES BOARD APPLICATION

Proposed alterations to ICAEW CPD Regulations

SUMMARY AND OVERVIEW

1. This application to the Legal Services Board (LSB) is made in accordance with Part 3 of Schedule 4 of the Legal Services Act 2007 (the Act), for approval of proposed alterations to ICAEW's [Continuing Professional Development Regulations](#) (Regulations). The current CPD Regulations are attached at Appendix 1, the proposed draft Regulations are attached at Appendix 2, and the schedule of alterations is attached at Appendix 3.

BACKGROUND

2. The CPD Regulations came into force on 1 November 2023, following approval by the LSB. All ICAEW members are in scope of the Regulations if they undertake work related to accountancy, legal services or finance; or act as a statutory director of a company, or trustee of a trust. The CPD Regulations also apply to any individual or firm that is regulated by ICAEW for a statutorily regulated service, including legal services.
3. The Regulations introduced a framework based on CPD categories, with minimum annual CPD hours and minimum verifiable CPD hours depending on the nature of the individual's role and work undertaken. They require individuals to undertake annual ethics CPD, reflect on their learning needs, retain appropriate CPD records and evidence, and confirm compliance through the annual member subscription renewal process. Firms are required to ensure that applicable CPD requirements are met by all staff who are ICAEW members or otherwise regulated by ICAEW. Firms must also ensure that records are retained of the CPD done by these staff members. Compliance is monitored through ICAEW Quality Assurance Department (QAD) monitoring, with consequences for non-compliance set out in the Regulations.
4. The Regulations have achieved strong engagement and compliance across the membership and regulated populations. However, evidence from operational teams including QAD suggests that limited refinements would improve clarity and regulatory effectiveness.
5. The proposed amendments are intended to take effect from 1 November 2026, subject to approval from the LSB.

PART A: PURPOSE, INTENT AND RATIONALE OF THE ALTERATION

Purpose, nature and effect of the proposed amendments

6. The proposed amendments are being made for three reasons:
 - to formalise existing concessions that exist in the regime within guidance;
 - to clarify certain requirements;
 - to update terminology to reflect statutory and other changes.
7. The proposed alterations do not change the current policy position or the minimum CPD hours framework. The detail of the proposed amendments is set out below.

Key matters to note

8. All references below to “member” should be read to include other relevant persons within the scope of the CPD Regulations, such as other individuals regulated by ICAEW.

Formalising concessions within guidance

9. Following member feedback, guidance issued since the 2023 CPD Regulations took effect has allowed certain members to use the RAID (Reflect, Act, Impact, Declare) approach to CPD without completing a minimum number of CPD hours.
10. This concession applies to members whose gross annual income from accountancy and finance services is below £1,000, or whose only relevant role is as a statutory director of a micro-entity (that is not an accountancy or legal practice). As these arrangements are already established and in use, they will now be incorporated formally into the regulations under regulation 6.

Clarification of requirements

11. Amendments have been made to clarify that members and firms must retain records of all CPD, not just the verifiable element. During our monitoring work, we identified that some firms had interpreted the requirement more narrowly, so the change makes clear that records of all CPD must be kept, with evidence for the verifiable element.
12. Clarification has also been made to the role of the Practice Assurance Committee (PAC) and how it is referred to within the regulations. This includes a new regulation 19 to specify that, should a member not co-operate with QAD, i.e. fail to provide CPD records or other relevant information when requested, the member will be referred to the Conduct Department rather than the PAC.
13. Additional provisions have been added as a new regulation 16 to cater for breaches of regulation 6, which applies to members who are on the RAID basis of CPD with no minimum hours. Regulation 16 explains the steps that will be taken if the member fails to comply with QAD requests, and in which circumstances the member will be referred to the PAC or Conduct Department.

14. Other minor wording clarifications have been amended throughout to ensure as much accuracy and consistency as possible with the policy and guidance currently in place.

Updates to terminology

15. The scope of reserved legal services authorised by ICAEW have expanded to include Oaths, so this has been added in the relevant parts of the Regulations.
16. A new regulatory regime for Local Audit is expected to take effect in Autumn 2026, introducing updated statutory terminology for those involved in Local Audit. In particular, Key Audit Partners will be known as Lead Partners, so this change is now reflected in the updated regulations.
17. Some internal terminology changes have also been made:
- The Professional Standards Department has become the Regulation & Conduct Division from 1 October 2026.
 - As part of this change, the Committees & Tribunals Team has become the Adjudication Team.
18. The proposed amendments are set out in full in the Draft Regulations at Appendix 2 and the schedule of alterations at Appendix 3

Regulatory conflicts and impact on other approved regulators

19. We have considered whether the proposed alterations could create a regulatory conflict or affect another approved regulator. Our assessment is that they do not. They are limited to ICAEW's CPD Regulations and do not change the underlying policy introduced in 2023.
20. The proposed amendments do not amend the scope of any other approved regulator's arrangements, affect another regulator's responsibilities or give rise to inconsistency with another approved regulator or external regulatory body.

PART B: CONSULTATION AND ENGAGEMENT

Consultation on the proposed changes

21. We consider that public consultation is not necessary or proportionate in this case because the proposed amendments are limited in scope, do not alter the current policy position or materially change the obligations already communicated through guidance. They formalise existing guidance, clarify requirements already in place and update terminology.
22. The concessions being formalised are already established and in use; the clarifications respond to monitoring experience; and the terminology updates reflect external and internal changes already taking effect. The proposed amendments will be supported by communications and updated guidance before implementation.

PART C: IMPACT ASSESSMENT AGAINST THE REGULATORY OBJECTIVES

In making this application we have considered the impact of the proposed alterations to the Regulations on each of the regulatory objectives in section 1 of the Act. Our assessment is set out in the table below. They are expected to have a positive impact on some regulatory objectives and no direct impact on others. No adverse impact has been identified.

Regulatory objective	Impact on the regulatory objective
RO1: Protecting and promoting the public interest	Positive. The proposed amendments support the public interest by making our CPD obligations clearer, improving the basis for monitoring compliance and clarifying the routes for action where members fail to co-operate with CPD checks.
RO2: Supporting the constitutional principle of the rule of law	No impact on this objective has been identified.
RO3: Improving access to justice	No impact on this objective has been identified.
RO4: Protecting and promoting the interests of consumers	Positive. The amendments support consumer interests by improving clarity and assurance around CPD compliance, including record-keeping, evidence requirements and escalation routes for non-cooperation.
RO5: Promoting competition in the provision of legal services	No impact on this objective has been identified.
RO6: Encouraging an independent, strong, diverse and effective legal profession	Positive impact on effectiveness. No impact on independence, strength or diversity of the legal profession has been identified.
RO7: Increasing public understanding of citizens' legal rights and duties	No impact on this objective has been identified.
RO8: Promoting and maintaining adherence to the professional principles	Positive. The amendments support adherence to the professional principles by clarifying relevant CPD requirements, record-keeping obligations and escalation routes for non-compliance.
RO9: Promoting the prevention and detection of economic crime	No impact on this objective has been identified.

PART D: IMPACT ASSESSMENT AGAINST THE BETTER REGULATION PRINCIPLES

23. Overall, we consider that the proposed amendments are consistent with the Better Regulation Principles. They are proportionate, targeted and transparent because they clarify and formalise existing arrangements and address specific issues identified through operational experience. Our assessment is set out below.

Principle	Impact
Proportionate	Positive. The amendments clarify and formalise existing arrangements without changing the CPD policy or adding new minimum-hours requirements.
Accountable	Positive. The amendments clarify record-keeping, evidence requirements and escalation routes, supporting clearer regulatory decision-making.
Consistent	Positive. The amendments align the Regulations with current guidance, operational practice and updated terminology.
Transparent	Positive. The amendments make the requirements clearer by placing key guidance concessions and clarifications into the Regulations.
Targeted	Positive. The amendments address specific issues identified through operational experience, feedback and terminology changes.

DESIRED OUTCOMES

24. The desired outcome of the proposed alterations is to ensure that the Regulations remain clear, current and effective. The amendments are intended to formalise existing guidance concessions, clarify record-keeping and evidence requirements, support consistent monitoring and escalation, and ensure the Regulations accurately reflect current terminology and the expanded scope of ICAEW-accredited legal services. This will help members, firms and other relevant persons understand and comply with the requirements, while supporting effective regulatory oversight and consumer confidence.

PART E: EQUALITIES IMPACT ASSESSMENT

25. We have carefully considered the impact of the proposed changes from an equalities perspective, with particular regard to their effect on individuals with the following protected characteristics, as defined under the Equality Act 2010:

- Age
- Disability
- Gender reassignment
- Marriage or civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation.

26. We have considered the proposed amendments from an equality, diversity and inclusion perspective, including their potential impact on individuals with protected characteristics. Our assessment is that the amendments are not expected to have an adverse impact because they clarify existing requirements and formalise concessions already available through guidance.

27. We will continue to monitor the operation of the Regulations through our monitoring activity and feedback from members, firms and internal stakeholders. If any unintended equality impacts are identified, we will consider whether further guidance or regulatory clarification is required.

PART F: IMPACT OF THE PROPOSALS ON REGULATED PERSONS, CONSUMERS AND THE PUBLIC INTEREST

Regulated Persons

28. We consider that the proposed amendments will have a positive impact on accredited legal services practitioners, other regulated persons and firms by:
- clarifying CPD obligations and reducing ambiguity in applying the regulations;
 - formalising existing guidance concessions within the regulations;
 - making clear that records of all CPD must be retained, with evidence for verifiable CPD;
 - clarifying the consequences of non-co-operation with CPD checks; and
 - updating terminology so that the Regulations align with current statutory and regulatory arrangements.
29. The amendments should assist all ICAEW members and firms by placing current guidance and operational expectations into the regulations, making the requirements easier to understand and apply.

Consumers and the public interest

30. The proposed changes are expected to have a positive effect on consumers and the public interest by improving the clarity and operation of CPD requirements, supporting effective monitoring, and ensuring the regulations accurately reflect the current position set out in guidance and terminology changes.
- supporting competent delivery of regulated legal services, including probate and oaths;
 - strengthening public confidence in the CPD framework and our oversight of compliance;
 - ensuring firms and practitioners maintain records that enable effective monitoring; and
 - providing clearer routes for proportionate action where non-cooperation is identified.

PART G: EVALUATION AND MONITORING

Evaluation and Monitoring

31. We will monitor the operation of the amended Regulations through our existing CPD compliance and monitoring arrangements, including QAD checks which review a sample of member and firm CPD records and evidence; monitoring of undertakings, and referrals to the Practice Assurance Committee or Conduct Department where appropriate.
32. We will also monitor feedback from members, firms and internal teams following implementation. This will help us assess whether the amendments have improved clarity and whether any further guidance or communication is required.

PART H: IMPLEMENTATION OF THE NEW REQUIREMENTS

Governance and Implementation

33. The proposed amendments have been developed following operational experience since the revised CPD Regulations came into force on 1 November 2023. Feedback from the Learning, Membership, and Regulation & Conduct Leadership Teams has been incorporated into the proposals.
34. The proposed amendments have been considered through ICAEW's internal governance process, and this application is being submitted after consideration by the Legal Services Committee and the ICAEW Regulation & Conduct Board, as well as relevant Boards in ICAEW's Membership and Learning divisions.
35. Subject to approval by the ICAEW Executive Committee, the amended CPD Regulations are intended to come into force on 1 November 2026, for the start of the new CPD year.

Implementation timetable

Stage	Timing	Purpose
LSB application	Before 1 November 2026	Approval of the proposed alteration to ICAEW's regulatory arrangements.
Publication and communications	Following approval	Publication of the amended regulations and communication of the changes to members, firms and relevant internal teams.
Effective date	1 November 2026	The amended CPD Regulations come into force for the new CPD year.
Post-implementation monitoring	From 1 November 2026	Monitoring through existing QAD CPD checks, member and firm feedback.

36. We will support implementation through targeted communications and updated guidance for members and firms, explaining the proposed amendments and the practical steps required to comply with the amended CPD Regulations.

FURTHER ENQUIRIES

Any further enquiries on this application can be directed to:

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APPENDICES

Appendix 1: ICAEW Continuing Professional Development Regulations 2023

Appendix 2: Draft ICAEW CPD Regulations showing changes in mark-up

Appendix 3: Schedule of amendments to the ICAEW CPD Regulations