

## **CPA Ireland Bye Law Amendments**

Updated changes to Bye Law 7, 14 and 15, will become effective from the 1<sup>st</sup> January 2024. The main changes are laid out as follows;

### **Bye Law 7-Quality Assurance (QA)**

#### **Addressing of Quality Assurance recommendations**

7.7-An emphasis is now placed on the requirement for firms and relevant individuals to take all reasonable steps to ensure that recommendations arising from quality assurance reviews are implemented within a reasonable period.

#### **QA review selection process**

7.12.1- The process for selecting firms and individuals for a QA review adopting a risk-based approach was expanded to incorporate those who were non-compliant with their obligations as a designated person under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 as amended and where information was received from other regulators.

#### **QA Shortened cycle**

7.12.2-A QA review cycle of a firm may now be shortened where;

1. two consecutive Grade Bs are scored by a firm in an audit review;
2. where there is a failure to demonstrate adequate improvements within a reasonable time frame in any review area; or
3. in any circumstance where there is a heightened risk associated in line with risk criterion.

#### **Review Grades**

7.17-Grade categories were expanded to introduce a “no grade” category. This is to be awarded where it is not possible to assess the adequacy and appropriateness of the quality of the engagement files undertaken by a firm or where a firm will not engage in the review process. This new category of grade also applies to Anti-money laundering, Continuous Professional Development and Investment Business reviews per Bye Laws 7.17.2, 7.17.3 and 7.17.4.

#### **Thematic Reviews**

7.23- The Bye Law was expanded to allow the completion of thematic reviews. Such reviews will undertake an assessment of a particular focus area and its implementation by firms and/or relevant individuals. These may occur on an ad-hoc basis and will be undertaken separate to the standard QA cycle review process.

### **Bye Law 14-Investment Business Regulations**

#### **Capital and Monitoring Requirement**

4.01- The monitoring cycle for a firm in possession of a category 1A will increase from a minimum of once in every six years to ten years.

4.01- Those holding the category 2(1) of authorisation will be required to have positive financial assets. This will supersede the existing capital requirements in place.

4.01-Similarly, those holding a category 2(2) authorisation will be required to have a minimum capital requirement of €125,000, this represents an increase from the existing requirements which differs for sole traders and partnerships. Those in this category will also be now subject to an annual monitoring cycle.

## **Bye Law 15-Anti-money laundering(AML) Regulations**

### **Remote reviews**

15.17.17- The Bye Law was expanded to facilitate remote AML reviews.

### **Re-review outcomes**

15.17.20-The potential outcomes for a re-review were detailed in the revised Bye Law. These mirror those of an initial review.