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The Institute of Certified  
Public Accountants in Ireland

17 Harcourt St, Dublin 2, Ireland

**Phone** 01 425 1000

**Fax** 01 425 1001

**Email** [cpa@cpaireland.ie](mailto:cpa@cpaireland.ie)

**Web** [www.cpaireland.ie](http://www.cpaireland.ie)

Chief Executive: Eamonn Siggins

**Consumer Protection Codes Department,  
Financial Regulator,  
PO Box 9138,  
6-8 College Green,  
Dublin 2.**

**Re: Review of Minimum Competency Requirements**

Dear Sir/Madam,

We refer to the Consultation Paper CP45, Review of Minimum Competency Requirements. We welcome the opportunity to respond to this consultation paper. It is essential that all individuals operating in this area are adequately qualified and maintain their competence in line with the nature of the services that they offer. We have set out below our comments in relation to same.

**Background to CPA Members' Authorisation**

Practising members of the Institute of Certified Public Accountants in Ireland (the Institute) can apply to the Institute to obtain authorisation as an investment intermediary in accordance with the Investment Intermediary Act 1995 (as amended).

Their authorisation through the Institute is restricted in that it must be "incidental" to the services provided by their accountancy practices.

The majority of our practitioners who hold such authorisations do so under Category 1 authorisation which allows them to offer generic investment advice and to arrange transactions in investment products through another authorised adviser with whom they hold a written arrangement. Much of the investment advice given to clients is a by-product of the other services that they provide. Our practitioners are in a unique position to offer such services to their clients.

Our members have been subject to a CPD requirement since 1993, being the first accountancy body to introduce mandatory CPE. They were also subject to mandatory CPE in the area of investment business prior to the introduction of the Minimum Competency Requirements.

In order to obtain investment business authorisation they must first qualify as an accountant, generally taking a minimum of three years of exams and supervised experience. Following a further two year period of supervised experience, attendance and completion of the Practice Orientation Course and examination (which includes a module on investment business) they are then eligible to apply for a practising certificate and investment business authorisation where applicable.

These members are subject to monitoring on a six yearly cycle (less where their level of authorisation is above Category 1).

They also make an annual investment business return to us and an annual "Fit and Proper" declaration.

### **Removal of Grandfathering Arrangements**

We would strongly disagree with the phased out removal of the grandfathering arrangements for our practitioners.

As outlined above our practitioners offer a service that is incidental to their accountancy practice services. Their practice activities which include their investment business activities are regulated via on site quality assurance visits and annual desk top reviews of their compliance with our Investment Business and CPD bye-laws.

It is our view that many of our firms will reconsider their authorisations as investment intermediaries if they are required to obtain a further qualification. This in our view is not in the best interests of their clients.

We note that confusion regarding the regime has arisen. However we do not see this as a reason to phase it out. An information campaign may assist in this regard.

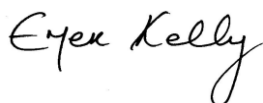
In our opinion it is unfair to grant an individual with a grandfathered status and to withdraw it at a later stage. It may be more appropriate to sanction those individuals who have not complied with the regulations as they were originally intended.

### **Changes in CPD regime**

Currently members make an annual CPD submission. The CPA CPD cycle is a three year cycle. We do not agree with an annual CPD requirement. The current regime including the number of hours in our opinion does not need amendment.

If you have any queries on our submission please contact the undersigned.

Yours sincerely,



**Emer Kelly ACA; CPA**  
**Quality Assurance Executive**