


Date: 1 January 2024



# ICAS ATOL Reporting Accountant Regulations

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The Institute of Chartered Accountants of Scotland

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Council, in terms of Rules 8.1 and 11.11.5 of the ICAS Rules, hereby makes the following Regulations.

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# 1. General

## Citation and commencement

- 1.1 These Regulations may be cited as the ICAS ATOL Reporting Accountant Regulations and shall come into force on 1 January 2024.

## Definitions

- 1.2 In these Regulations, words and phrases have the same meaning as in the ICAS Rules and, unless the context requires otherwise:

**Adverse Decisions** – a decision of the Committee under Regulation 5.11.

**Affiliate** – a person who is not a Member but is subject to the Rules and Regulations.

**Annual Accountant's Report** – financial report of an entity which require to be prepared in accordance with the provisions of any requirements or guidance issued by the Authority from time to time.

**Applicant** – a Firm or individual applying for Registration.

**Approved Membership Body** – a body which the Authority has approved as having a membership qualification which includes passing an assurance exam.

**Approved Professional Body** – a body which has been appointed by the Authority to participate in the Authority's ATOL Reporting Accountants Scheme.

**Air Travel Organiser's Licence (ATOL)** – the licence granted to a travel organiser by the Authority.

**ATOL Reporting Accountant** – an Employee or Principal in a Registered Firm who is authorised by ICAS in accordance with these Regulations and who is responsible for Engagements.

**ATOL Work** – work undertaken in respect of an Engagement. Authority – the Civil Aviation Authority.

**Cold File Review** – a review of a completed Engagement file.

**Committee** – the committee established by the Regulation Board under Regulation 2.1.

**Contact Principal** – the Principal responsible for ensuring that the Registered Firm and its ATOL Reporting Accountants comply with these Regulations.

**CPD** – continuing professional development.

**Employee** - An individual employed by a Registered Firm under a contract of employment.

**Engagement** – an engagement to sign an Annual Accountant's Report in accordance with the provisions of any requirements or guidance issued by the Authority from time to time.

**Firm** – a body corporate, partnership, limited liability partnership or unincorporated practice, which is subject to the Rules and Regulations.

**Hearing** – a hearing in respect of a proposed Adverse Decision or an order of suspension under Regulation 5.3.

**Independent Reviewer** – either (i) an ATOL Reporting Accountant in a Registered Firm who has not been involved with an Engagement and is able to conduct an independent review, or (ii) an external reviewer engaged by the Registered Firm.

**Legislation** – the Civil Aviation (Air Transport Organisers' Licensing) Regulations 2012 (as amended from time to time).

**Monitoring** – the arrangements for enabling the performance of ATOL Work by Registered Firms to be monitored by means of inspections.

**Principal** - a sole practitioner or a partner or member or director of an entity.

**Recognised Supervisory Body** – a body so designated in accordance with the terms of the Companies Act.

**Registered Firm** – a Firm which may accept an Engagement on account of its Registration.

**Registration** – authorisation as a Registered Firm or ATOL Reporting Accountant in accordance with these Regulations.

**Regulatory Penalty** – a penalty proposed by the Committee in accordance with Regulation 5.26.

**Sub-Committee** – means no fewer than three members of the Committee appointed under these Regulations, including not less than one Lay Member.

## Notices

- 1.3 Any notice or other document to be sent under these Regulations shall be delivered electronically, by hand or by post. It must be sent to the address that the Member, CA Student Member, Affiliate or Firm has given to ICAS for this purpose. Delivery shall be deemed to have occurred:
- 1.3.1 for emails, facsimile, and other electronic means when sent;
  - 1.3.2 by hand, when delivered; and
  - 1.3.3 by post 48 hours after posting.
- 1.4 Any reference to legislation, rules, regulations, schemes or other documents will apply to any re-enactment, re-issue or amendment.

## Application

- 1.5 These Regulations apply to Members, Affiliates, Applicants, Registered Firms, Principals and ATOL Reporting Accountants within Registered Firms.

## 2. The Committee

### Constitution and composition

- 2.1 The Regulation Board shall establish a Committee comprised of a Convener and seven or more other persons. Not less than three members of the Committee shall be Lay Members.
- 2.2 Appointments to the Committee shall be for a term of three years, renewable for one further term of three years at the discretion of the Regulation Board.
- 2.3 The length and number of terms referred to in Regulation 2.2 may be extended or varied in exceptional circumstances at the discretion of the Regulation Board.

### **Conduct of business**

- 2.4 The Committee shall meet a minimum of four times a year.
- 2.5 At meetings of the Committee, three members shall constitute a quorum, of who one shall be a Member and one shall be a Lay Member. The majority of those present must not be Lay Members.
- 2.6 A meeting of the Committee may be conducted in person, by email, telephone or other electronic or video conferencing means whereby communication between members can be conducted in real time.
- 2.7 The Convener shall, in the case of an equality of votes, have a second or casting vote.

### **Declaration of interest**

- 2.8 Each member of the Committee must declare any interest in any matter before the Committee. A member of the Committee who has declared such an interest shall ensure that they withdraw from any discussion and decision on the matter concerned.

### **Remuneration**

- 2.9 Members of the Committee are entitled to be reimbursed by ICAS for any expenses reasonably incurred in connection with their membership of the Committee.
- 2.10 Lay Members of the Committee are entitled to reasonable remuneration in connection with their membership of the Committee.

### **Powers**

- 2.11 The Committee shall have the power to:
  - 2.11.1 grant and reject applications for Registration;
  - 2.11.2 impose conditions and/or restrictions on Registration;
  - 2.11.3 suspend or withdraw Registration;
  - 2.11.4 apply to the Discipline Panel for an interim order;
  - 2.11.5 monitor the compliance of Registered Firms and ATOL Reporting Accountants with these Regulations;
  - 2.11.6 offer and impose Regulatory Penalties;
  - 2.11.7 make enquiries, directions and determine all other matters incidental to or arising from the exercise of its powers under Regulations 2.11.1 to 2.11.6.
- 2.12 In exercising its powers, the Committee may take into account:
  - 2.12.1 any findings under ICAS Rule 13;
  - 2.12.2 any information provided by the Registered Firm;
  - 2.12.3 any information provided by another Regulatory Committee;
  - 2.12.4 any information provided by the Authority;
  - 2.12.5 the terms of the Legislation or any guidance issued in relation to the Scheme;
  - 2.12.6 any other information which it believes to be relevant.

### **Delegation of powers**

- 2.13 Subject to Regulation 2.14, the Committee may sub-delegate all or any of its powers under Regulation 2.11 to an individual or Sub-Committee on such terms as it may decide.
- 2.14 The powers under the following Regulations shall not be delegated:
  - 2.14.1 the power to reject applications for Registration under Regulation 2.11.1;
  - 2.14.2 the power to impose restrictions on Registration under Regulation 2.11.2;
  - 2.14.3 Regulation 2.11.3;
  - 2.14.4 Regulation 2.11.4;
  - 2.14.5 Regulation 2.11.6.

### 3. Applications for Registration

#### Requirement for Registration

- 3.1 A Member, Affiliate or Firm shall not accept an Engagement unless:
  - 3.1.1 Registration has been granted by the Committee under Regulation 2.11.1; or
  - 3.1.2 Registration has been granted by another Approved Professional Body in accordance with its regulations.
- 3.2 A Member or Affiliate shall not be responsible for and shall not sign any reports in connection with an Engagement unless registered as an ATOL Reporting Accountant under Regulation 2.11.1.

#### Eligibility requirements to be a Registered Firm

- 3.3 A Firm which applies to be a Registered Firm must satisfy the Committee that:
  - 3.3.1 each Principal of the Firm satisfies the requirements in Regulation 3.4;
  - 3.3.2 the principal business of the Firm is the provision of accountancy or related services;
  - 3.3.3 it holds professional indemnity insurance which is sufficient to satisfy any requirements prescribed by the Authority;
  - 3.3.4 the Principal nominated by the Firm to act as its Contact Principal has sufficient competence and experience and is otherwise fit and proper;
  - 3.3.5 it is competent in all areas of work to be undertaken and is otherwise fit and proper for Registration;
  - 3.3.6 it can demonstrate compliance with the Rules and Regulations.
- 3.4 Each Principal of the Firm must be either:
  - 3.4.1 a Member;
  - 3.4.2 an Affiliate;
  - 3.4.3 a member of an Approved Professional Body; or
  - 3.4.4 a member of a Recognised Supervisory Body.

#### Eligibility requirements to be an ATOL Reporting Accountant

- 3.5 Subject to Regulations 3.6 to 3.9, an individual who applies to be an ATOL Reporting Accountant must satisfy the Committee that they:
  - 3.5.1 are a member or an affiliate of an Approved Professional Body;
  - 3.5.2 are authorised by an Approved Membership Body to engage in public practice;
  - 3.5.3 are an Employee or Principal of a Registered Firm;
  - 3.5.4 can demonstrate a sufficient level of experience in ATOL work;
  - 3.5.5 can demonstrate a sufficient level of competence to carry out ATOL Work in accordance with the requirements set out in Regulation 3.6;
  - 3.5.6 has undertaken adequate CPD appropriate to maintaining and developing competence for an individual seeking to be an ATOL Reporting Accountant;
  - 3.5.7 is otherwise fit and proper for Registration;
  - 3.5.8 can demonstrate compliance with the Rules and Regulations.
- 3.6 In order to satisfy the requirement of Regulation 3.5.5, an individual applying to be an ATOL Reporting Accountant must demonstrate that they have:
  - 3.6.1 successfully completed such training courses or examinations as may be prescribed by the Authority; and
  - 3.6.2 reviewed all relevant guidance as may be prescribed by ICAS and/or the Authority.

#### Cessation of Registration

- 3.7 The Registration of a Firm as a Registered Firm shall automatically cease if:

- 3.7.1 the Firm ceases to exist, whether through insolvency, corporate restructure or such other process;
  - 3.7.2 the Committee accepts an application from the Firm to terminate Registration;
  - 3.7.3 the Committee withdraws the Firm's Registration in accordance with these Regulations.
- 3.8 The Registration of an ATOL Reporting Accountant shall automatically cease if:
- 3.8.1 the Firm of which they are an Employee or Principal ceases to be a Registered Firm under Regulation 3.7;
  - 3.8.2 they no longer satisfy one or more of the applicable eligibility requirements in Regulations 3.5 and 3.6;
  - 3.8.3 the Committee accepts an application from the Contact Principal or ATOL Reporting Accountant to terminate Registration;
  - 3.8.4 the Committee withdraws the ATOL Reporting Accountant's Registration in accordance with these Regulations.

### **Applying for Registration**

- 3.9 An application for a Registration under Regulation 2.11.1 shall be:
- 3.9.1 in the form prescribed by the Committee, including such supporting information as may be requested;
  - 3.9.2 submitted on or before any date which may be prescribed by the Committee;
  - 3.9.3 accompanied by payment of the applicable fee.

### **Consideration of applications**

- 3.10 Upon receipt of an application for Registration under Regulation 3.9, the Committee may:
- 3.10.1 grant the application, with Registration to be effective from such date as may be stated by the Committee;
  - 3.10.2 be minded to reject the application;
  - 3.10.3 be minded to grant the application subject to conditions and/or restrictions;
  - or
  - 3.10.4 request further information from the applicant before taking a decision.

### **Waiver**

- 3.11 Subject to Regulation 3.12, the Committee may waive the requirements of these Regulations to adapt to the particular circumstances of a Registered Firm or ATOL Reporting Accountant, if it considers that:
- 3.11.1 complying with the relevant requirements would be unnecessarily burdensome for the Registered Firm or ATOL Reporting Accountant compared to any benefit which compliance might give to clients, third parties or the public interest; and
  - 3.11.2 waiving the requirements of these regulations will not constitute a material breach of the Act and is unlikely to result in any undue risk to clients, third parties or the public interest.
- 3.12 A waiver granted by the Committee under Regulation 3.11 may be limited in terms of scope and timing, as the Committee deems appropriate.

## **4. Obligations of Registered Firms and ATOL Reporting Accountants**

### **Cooperation and compliance**

- 4.1 Registered Firms and ATOL Reporting Accountants shall, at all times:

- 4.1.1 comply with these Regulations;
  - 4.1.2 cooperate fully and promptly with the Committee and individuals acting on its behalf or otherwise employed by ICAS;
  - 4.1.3 use best endeavours to accommodate Monitoring.
- 4.2 A Registered Firm shall pay to ICAS such fees and other monies as are required to be paid to ICAS in connection with Registration, within such timescales as are prescribed by ICAS.
- 4.3 Upon receipt of a request from the Committee or an individual acting on its behalf, a Registered Firm, Contact Principal or ATOL Reporting Accountant shall:
- 4.3.1 provide such information or explanation as requested, whether by way of annual return or otherwise;
  - 4.3.2 permit the examination of or deliver up such internal systems or processes, books, papers or records as the Committee considers necessary.
- 4.4 The Committee may require a Contact Principal, an ATOL Reporting Accountant or any other representative of a Registered Firm or to attend a meeting with the Committee on provision of reasonable notice.
- 4.5 All duties and obligations arising under these Regulations shall equally apply to a Firm which ceases to be a Registered Firm and a person who ceases to be a Member, Affiliate, Contact Principal or ATOL Reporting Accountant.
- 4.6 Upon cessation of Registration under Regulation 3.7, a Firm shall provide to the Committee such information as it may request to show that the Firm has resigned from all Engagements.

### **Monitoring**

- 4.7 Subject to Regulation 4.8, Monitoring shall cover:
- 4.7.1 the ATOL Work undertaken by the Registered Firm and its ATOL Reporting Accountants;
  - 4.7.2 the CPD undertaken by the ATOL Reporting Partners;
  - 4.7.3 the level of compliance with the Rules and Regulations of the Registered Firm and its ATOL Reporting Accountants;
  - 4.7.4 the performance of the Contact Principal;
  - 4.7.5 the regulatory and compliance processes of the Registered Firm, including its manuals, programmes, checklists and reviews which are undertaken in accordance with Regulations 4.14 to 4.21.
- 4.8 Where deemed appropriate by the individuals undertaking a Monitoring visit, Monitoring shall also cover such other accounting, audit and assurance work as may be undertaken by the Registered Firm.
- 4.9 Subject to the requirement that a Registered Firm shall receive a Monitoring visit not less than every six years, the Committee shall determine the timing and frequency of Monitoring visits.
- 4.10 At the conclusion of a Monitoring visit, the Registered Firm shall receive a report in summary of the visit.
- 4.11 The report referred to in Regulation 4.10 shall be intimated to the Committee which shall consider whether it requires to take any action in response. The Registered Firm shall be notified of the decision of the Committee accordingly.

### **Change of circumstances**

- 4.12 A Registered Firm shall notify the Committee of any change in circumstances which affects its Registration, its ability to undertake ATOL Work, including, but not limited to:

- 4.12.1 any matter affecting its compliance with the eligibility requirements in Regulations 3.3 and 3.4;
  - 4.12.2 any matter affecting the compliance of an ATOL Reporting Accountant with the eligibility requirements in Regulations 3.5 and 3.6;
  - 4.12.3 any breach of Rules or Regulations which has been committed, or is likely to be committed, by a Registered Firm or an ATOL Reporting Accountant;
  - 4.12.4 any change in its name or trading name;
  - 4.12.5 any change in its principal address or the addresses of any of its offices;
  - 4.12.6 any change in relation to the Principals of the Registered Firm, Contact Principal or the ATOL Reporting Accountants of the Registered Firm.
- 4.13 Notification under Regulation 4.12 shall be provided by the Registered Firm within 10 business days after the matter or change in question.

#### **Compliance with standards**

- 4.14 Registered Firms and ATOL Reporting Accounts shall ensure that Engagements are undertaken in compliance with:
- 4.14.1 all relevant UK legislation, including the Legislation and other applicable primary and secondary legislation;
  - 4.14.2 ATOL Guidance Note 10, as amended or replaced from time to time;
  - 4.14.3 all relevant EU legislation, including regulations and directives;
  - 4.14.4 any standards, regulations or guidance issued by the Authority;
  - 4.14.5 ICAS Code of Ethics;
  - 4.14.6 any other applicable standard, code of practice or guidance, whether ethical or technical.
- 4.15 Subject to Regulation 4.16, a Registered Firm shall undertake, not less than annually, a review of its compliance with these Regulations and shall ensure that:
- 4.15.1 appropriate action is taken to remove or minimise any threats to compliance;
  - 4.15.2 the outcome of the review is adequately communicated to all Principals and ATOL Reporting Accountants;
  - 4.15.3 any changes in procedures are communicated to Employees of the Registered Firm.
- 4.16 A Registered Firm shall ensure that a review under Regulation 4.15 includes:
- 4.16.1 a whole firm review of its compliance with Regulation 4.18;
  - 4.16.2 Cold File Reviews.
- 4.17 Not less than once every three years, a Registered Firm shall use an Independent Reviewer to undertake Cold File Reviews.
- 4.18 Registered Firms and ATOL Reporting Accountants shall ensure that the Registered Firm maintains appropriate firm-wide policies and procedures to ensure:
- 4.18.1 adequate training of all members of staff involved with Engagements;
  - 4.18.2 that all members of staff involved with Engagements are fit and proper for this purpose;
  - 4.18.3 compliance with Regulation 4.14.
- 4.19 A Registered Firm shall ensure that it retains working papers for not less than six years and that it complies with all applicable regulations and standards for the retention of working papers.
- 4.20 A Registered Firm shall ensure that the Contact Principal, the ATOL Reporting Accountants and other Employees are performing their roles with sufficient competence and expertise to comply with these Regulations and any CPD, experience and competence requirements set out by the Authority from time to time.

- 4.21 If a Registered Firm engages another Firm to undertake any ATOL Work on its behalf, it shall ensure that the other Firm provides all the working papers to the Registered Firm or provides unrestricted access to those working papers.

#### **Referrals for investigation**

- 4.22 The Committee may refer a Registered Firm, Member or Affiliate to the Investigation Committee if it considers that the Registered Firm, Member or Affiliate:
- 4.22.1 has failed to comply with the Regulations;
  - 4.22.2 may be liable to disciplinary action in accordance with Rule 13.
- 4.23 If an ATOL Reporting Accountant is a member or affiliate of another Approved Professional Body, the Committee may write by way of a complaint to the appropriate Approved Professional Body, if it considers that the ATOL Reporting Accountant:
- 4.23.1 has failed to comply with the Regulations;
  - 4.23.2 may be liable to disciplinary action in accordance with rule, regulations or bye-laws of the Approved Professional Body.

## **5. Decisions of the Committee**

#### **Conditions, restrictions, and withdrawal**

- 5.1 The Committee may seek to take the following actions in respect of Registration if it is satisfied that one or more of the conditions in Regulation 5.2 applies:
- 5.1.1 application of restrictions and/or conditions; or
  - 5.1.2 withdrawal.
- 5.2 The conditions referred to in Regulation 5.1 are as follows:
- 5.2.1 the Registered Firm or ATOL Reporting Accountant no longer meets one or more of the eligibility requirements in Regulations 3.3 to 3.6;
  - 5.2.2 the Registered Firm or ATOL Reporting Accountant has not complied with the Rules or Regulations;
  - 5.2.3 the Registered Firm or ATOL Reporting Accountant has not complied with any applicable statutory requirements, standards, code of practice, or guidance, whether ethical or technical, including those set out in Regulation 4.14;
  - 5.2.4 the quality of work undertaken by the Registered Firm or ATOL Reporting Accountant has fallen significantly short of the standards expected of a Registered Firm or ATOL Reporting Accountant;
  - 5.2.5 the Registered Firm or ATOL Reporting Accountant has not complied with an existing condition and/or restriction placed on Registration or any written undertaking provided to the Committee;
  - 5.2.6 the action is required to prevent risk or potential risk to clients, third parties or the public interest.

#### **Suspension**

- 5.3 The Committee may immediately suspend Registration for a period of not more than sixty days if it considers that:
- 5.3.1 one of more of the conditions listed in Regulation 5.2 applies; and
  - 5.3.2 the order of suspension is required to address an undue risk to clients, third parties or the public interest.
- 5.4 A Registered Firm or ATOL Reporting Accountant subject to a suspension order under Regulation 5.3 may apply for a Hearing in accordance with Regulation 5.13.2. The suspension shall remain in place pending the outcome of the Hearing.
- 5.5 If it is satisfied that the considerations in Regulation 5.3 no longer apply, the Committee may recall a suspension order prior to the intended date of its expiry.

- 5.6 On expiry of an order of suspension, the Committee may:
- 5.6.1 take no further action;
  - 5.6.2 take action under Regulation 5.1;
  - 5.6.3 refer the Registered Firm, Member or Affiliate to the Investigation Committee; and/or
  - 5.6.4 apply for an Interim Order in accordance with Regulation 5.9.
- 5.7 If the Registration of a Registered Firm is suspended under Regulation 5.3, the Registered Firm need not resign from existing Engagements and may be re-appointed, but shall not accept any new Engagements and Annual Accountant Reports shall only be signed if the Registered Firm receives written permission from the Committee.
- 5.8 If the Registration of an ATOL Reporting Accountant is suspended under Regulation 5.3, the ATOL Reporting Accountant shall not sign an Annual Accountant Report without the written permission of the Committee.

#### **Interim Order**

- 5.9 The Committee may apply to the Discipline Panel for an Interim Order to suspend or apply specified conditions to Registration, under Rule 13.18, if it considers that such an order would be justified in all the circumstances, having regard to the public interest.

#### **Implementation of decisions**

- 5.10 Subject to Regulation 5.11, a decision of the Committee shall come into force immediately, or on such date as may be specified by the Committee.

#### **Adverse Decision**

- 5.11 Subject to Regulation 5.12, the Committee shall make an Adverse Decision if it exercises its powers under Regulation 2.11 by:
- 5.11.1 rejecting an application for Registration;
  - 5.11.2 imposing conditions or restrictions on Registration;
  - 5.11.3 withdrawing Registration.
- 5.12 If the Committee proposes to make an Adverse Decision, it shall first serve notice on the Applicant, Registered Firm or ATOL Reporting Accountant, which notice shall include a note of the reasons in support of the proposed Adverse Decision.
- 5.13 An Applicant, Registered Firm or ATOL Reporting Accountant which does not accept the proposed Adverse Decision may:
- 5.13.1 submit written representations in opposition; or
  - 5.13.2 request a Hearing.
- 5.14 If the Applicant, Registered Firm or ATOL Reporting Accountant does not submit written representations and does not request a hearing in accordance with Regulation 5.13, the proposed Adverse Decision shall come into force upon expiry of ten business days from the date of service of the notice under Regulation 5.12.

#### **Written representations**

- 5.15 If the Applicant, Registered Firm or ATOL Reporting Accountant submits written representations in accordance with Regulation 5.13.1, the Committee shall consider the written representations and decide whether to withdraw, vary or affirm the proposed Adverse Decision.

## **Hearings**

- 5.16 If the Applicant, Registered Firm or ATOL Reporting Accountant requests a Hearing in accordance with Regulation 5.13.2, a Hearing shall be held before the Committee.
- 5.17 The Committee shall consider the representations made by the Applicant, Registered Firm or ATOL Reporting Accountant and decide whether to withdraw, vary or affirm the proposed Adverse Decision or suspension.
- 5.18 A Hearing shall be held in accordance with any guidance on regulatory hearings which may be issued by ICAS from time to time.
- 5.19 The Committee may at its discretion order the Applicant, Registered Firm or ATOL Reporting Accountant to contribute to the costs of a Hearing.

## **Notification of outcome**

- 5.20 The Applicant, Registered Firm or ATOL Reporting Accountant shall be notified of the outcome of the Committee's decision following its consideration of representations made in writing or at a Hearing.
- 5.21 If the Committee decides not to withdraw the proposed Adverse Decision, the notice under Regulation 5.20 shall confirm the date upon which the Adverse Decision shall come into effect, subject to Regulation 5.22.

## **Appeals**

- 5.22 If the Committee decides not to withdraw its proposed Adverse Decision following its consideration of representations made in writing or at a Hearing, the Applicant, Registered Firm or ATOL Reporting Accountant has the right to appeal the Adverse Decision.
- 5.23 An appeal must be made to the Tribunal Clerk within 21 days of the date on which notice of the Adverse Decision is communicated to the Applicant, Registered Firm or ATOL Reporting Accountant in accordance with Regulation 5.20 and shall be considered in accordance with the Discipline and Appeal Tribunal Regulations.
- 5.24 If the Registered Firm or ATOL Reporting Accountant submits an appeal under Regulation 5.22, the Adverse Decision shall not come into force until such date as may be prescribed by the Appeal Tribunal.

## **Regulatory Penalties**

- 5.25 The Committee may propose a Regulatory Penalty under Rule 13.16.10 to a Registered Firm or ATOL Reporting Accountant if it is satisfied that the following conditions are met:
  - 5.25.1 the Registered Firm or ATOL Reporting Accountant has not complied with the Regulations; and
  - 5.25.2 the circumstances do not involve conduct or competence which calls into question the fitness of the Registered Firm or ATOL Reporting Accountant to undertake work in connection with an Engagement.
- 5.26 The Committee shall determine the amount of the proposed Regulatory Penalty and shall notify the Registered Firm or ATOL Reporting Accountant accordingly.
- 5.27 The Registered Firm or ATOL Reporting Accountant shall respond to the Committee in writing within ten business days of service under Regulation 5.26 to confirm whether or not the proposed Regulatory Penalty is accepted.
- 5.28 A Registered Firm or ATOL Reporting Accountant may make representations to the Committee in respect of the proposed Regulatory Penalty. Upon consideration of any such representations, the Committee shall notify the Registered Firm or ATOL

Reporting Accountant that the proposed Regulatory Penalty has been affirmed, varied or withdrawn.

- 5.29 If a proposed Regulatory Penalty has been affirmed or varied under Regulation 5.28, the Registered Firm or ATOL Reporting Accountant shall have an additional period of 10 business days to confirm whether or not the proposed Regulatory Penalty is accepted. The Committee shall not be obliged to consider any additional representations from the Registered Firm or ATOL Reporting Accountant.
- 5.30 If a Registered Firm or ATOL Reporting Accountant accepts a proposed Regulatory Penalty, the sum referred to shall be payable within ten business days of the Registered Firm or ATOL Reporting Accountant's acceptance, or within such longer period of time as the Committee may specify or agree.
- 5.31 If a Registered Firm or ATOL Reporting Accountant does not accept the proposed Regulatory Penalty, or does not respond within the applicable timescale, the Committee may proceed in accordance with Regulations 4.19 or 4.20.

**Publicity**

- 5.32 The Committee may publish its decisions and the course of any action taken under these Regulations in such manner as it thinks fit.



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