

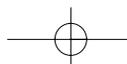
Your vote counts, please use it.
Your council encourages you to vote in favour.

Integration with CIPFA Resolution Document

Special Meeting: Tuesday 25 October 2005 at 11.00 am Chartered Accountants' Hall, London, EC2



Chartered Accountants' Hall, PO Box 433, Moorgate Place, London EC2P 2BJ
Tel 020 7920 8100 Fax 020 7920 0547 www.icaew.co.uk/cipfavote





“We are stronger if we stand collectively on the issues and challenges facing the modern profession.”

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The Institute of Chartered Accountants in England and Wales Special Meeting: Tuesday 25 October 2005 at 11.00am

Your guide to voting

You can **vote online** at www.icaew.co.uk/cipfavote.
Just follow the instructions on the form.

**Your council supports the integration of CIPFA.
Please vote in favour. We need your support.**

Vote online at www.icaew.co.uk/cipfavote

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Chartered Accountants' Hall has a number of facilities for members with disabilities.

The most suitable access for members with mobility difficulties is via the entrance at No. 11 Copthall Avenue EC2. Great Swan Alley has limited on-street parking facilities. The nearest car parks are in London Wall and Finsbury Square.

We can provide on request a large print version of this booklet and accompanying documentation.

Please contact the Executive Office (+44 (0)20 7920 8560) to discuss your requirements.



* Important notice

The parking facilities in London Wall are currently accessible only from the Barbican side of the road, please follow the diversion signs.

The Institute of Chartered Accountants in England and Wales Special Meeting: Tuesday 25 October 2005 at 11.00am

Explanatory notes

The integration of the ICAEW and CIPFA

1. The Proposal Document included with these papers sets out the main aspects of the integration of the two Institutes. Inevitably, there are some consequential formalities required to accommodate the changes proposed to current arrangements.
2. The Resolution set out on page 4 of this booklet therefore provides for the following:
 - the admission of CIPFA members to membership of the ICAEW
 - the submission of a Petition to HM Privy Council for a new ICAEW Supplemental Charter (set out as Schedules A and B to the Resolution respectively)
 - supporting Bye-law amendments (Schedule C)
 - the acceptance by the Institute Council of changes of detail required by HM Privy Council
 - the continuance of the CIPFA bye-laws for the time being for matters that the Council considers necessary to permit the smooth integration of the Institutes.
3. For the Resolution to be effective, it will require the support of two-thirds of those ICAEW members

present and voting in person or by proxy. It is also contingent on the members of CIPFA supporting, by a similar majority:

- the transfer of CIPFA members to the ICAEW
- the transfer of the charitable assets and liabilities of CIPFA to a new charity
- the submission of the Petition referred to above
- the surrender of CIPFA's current Charter.

The name

4. The new Supplemental Charter provides for our preferred choice of new name for the Institute (the 'Institute of Chartered Accountants'). In the event that HM Privy Council is unable to allow the new name, the Resolution provides for the Institute Council to accept an alternative name subject to it containing the words 'Chartered' and 'Accountants' or 'Accountancy'.

Principal objects

5. An amendment is required to existing Charter Article 1(a)(i) to extend the principal objects of the Institute specifically to include public finance.

Deletion of Charter Articles

6. Charter Articles 3-9 require to be deleted, either to enable them to be restated as new Charter Article 3 or in the Principal Bye-laws or regulations, or because they are spent or no longer necessary. These relate to:
 - the continuance of existing members as at the date of the Supplemental Charter of 1948 (spent)
 - classes of membership and admission as an associate (new Principal Bye-law 4A)
 - expired and current arrangements relating to an associate becoming a fellow (regulations)
 - fees and subscriptions (new Article 3)
 - the description of members and distinctive letters (new Principal Bye-law 5A).

Definitions

7. The definition of 'Provisional member' requires to be extended to include the different categories of student studying for the CIPFA qualifications (Principal Bye-law 1(a)(i)).

Explanatory notes

Members

8. New Principal Bye-law 4A restates former Charter Article 3 and allows for the continuation of the current ICAEW classes of membership (Associate and Fellow). It also allows for the membership of CIPFA members and those who qualify by study for the CPFA qualification.

Description of members and distinctive letters

9. New Principal Bye-law 5A replaces former Charter Article 9 and in particular:
- permits the use of the description 'Chartered Accountant' by all qualified accountant members of the Institute
 - permits the use of the distinctive letters 'FCA' or 'ACA' by existing ICAEW members and those who qualify by study for the ACA qualification
 - permits the use of the distinctive letters 'CPFA' by CIPFA members and those who qualify by study for the CPFA qualification
 - permits the use of the additional distinctive letters 'MICA' by all members of the Institute.

Election of Office-Holders

10. Amendments are required to permit, as an additional element of democracy, the formal election of Office-Holders by members at the annual meeting (they are currently elected at the first meeting of the Council after the annual meeting). In addition, transitional arrangements are required to allow for joint Presidents and Deputy-Presidents in the first eighteen months in order to share the representational load (Principal Bye-laws 10(b) and 43, and new Principal Bye-law 43A).

Council

11. A number of amendments are required to the arrangements for the Institute Council to permit:
- the direct representation of two provisional members, one from each route to qualification (Charter Article 2(c), Principal Bye-law 36(a))
 - additional co-opted members, to allow both for the co-option of the provisional member representatives and senior members from the public services (Principal Bye-law 32)
 - the direct election of members from outside England and Wales to accommodate, in the first instance, a Scotland constituency (Principal Bye-law 33)

- two year terms of office for members elected from the new public services constituencies (members elected from geographical constituencies will continue to serve for four year terms) (Principal Bye-law 35(c))
- the application to provisional member representatives on Council of current requirements on Council members and prospective Council members as to vacation of office and eligibility for appointment (Principal Bye-laws 37(a) and 37A)

- arrangements for a special, enhanced majority of Council for specific matters (Principal Bye-law 46).

Disciplinary Bye-laws

12. A new Disciplinary Bye-law 38 is required to make it clear that all CIPFA members are subject to the ICAEW Disciplinary Bye-laws. However, members of CIPFA who are, at the time of integration, subject to disciplinary proceedings within CIPFA will continue to be judged against the CIPFA arrangements.

NOTICE OF SPECIAL MEETING
THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES

A SPECIAL MEETING of the Institute will be held at 11.00 a.m. on Tuesday 25 October 2005 at Chartered Accountants' Hall, Moorgate Place, London EC2. The purpose of the special meeting is to consider and, if thought fit, to pass the Resolution set out on page 4 of this booklet.

Eric E Anstee FCA
Chief Executive
23 September 2005

Notes

1. Resolution No. 1, to be effective, must be passed by a majority of not less than two-thirds of the members voting (in person or by proxy) on a poll taken in such manner as the chairman directs.
2. Any member may appoint another member as his or her proxy to attend and, on a poll, to vote in his or her place.
3. Members will find with this notice a form of proxy for use at the special meeting. Members with a registered address in the United Kingdom or in countries within the International Business Reply Scheme (IBRS) may use the reply-paid envelope provided. Any member may, if preferred, return the form by fax or online as described on the form.
4. For the proxy to be effective, the member must sign the form of proxy (unless returning it online) and must ensure that the scrutineers receive it by no later than 11.00 a.m. on Sunday 23 October 2005.
5. A member who appoints a proxy will not be debarred from attending the meeting and voting in person if, in the event, he or she is able to be present.

Resolution

to be proposed at a Special Meeting of The Institute of Chartered Accountants in England and Wales to be held on Tuesday 25 October 2005 at 11.00am

Resolution No.1 – The integration of the ICAEW and CIPFA

Provided that at a general meeting of the Chartered Institute of Public Finance and Accountancy (“CIPFA”) a resolution is passed by the requisite majority vote of CIPFA members in terms compatible with this resolution authorising

- (a) the admission of CIPFA members into membership of the Institute;
- (b) the formation and registration by CIPFA of a charitable company;
- (c) the transfer of the assets and liabilities of CIPFA to such charitable company;
- (d) the subscription of CIPFA to a Petition being submitted by the Institute for the grant of a Supplemental Charter to the Institute; and
- (e) the surrender of the original and supplemental charters of CIPFA,

it is hereby resolved

that the Council of the Institute be, and is hereby, authorised and empowered to take all steps as may be necessary or expedient to enable the said admission of the CIPFA members into the Institute to take place and

that the Council shall execute and submit on behalf of the Institute, and jointly with CIPFA, a Petition to Her Majesty in Council (Schedule A to this resolution) for the grant of a Supplemental Charter, in the form of the draft produced to this meeting (Schedule B to this resolution), for the purposes, inter alia, of altering the name and objects of the Institute and

that the Council be, and is hereby, authorised and empowered to consent on behalf of the Institute to any modification of the proposed Supplemental Charter except any alternative name of the Institute that shall not include the words “Chartered” “Accountants” or “Accountancy” which the Privy Council may require for the purpose of providing advice to Her Majesty in respect of the Petition and

that subject to any modifications that may be required by the Privy Council and to which the Council of the Institute may agree, the Bye-Laws of the Institute shall be amended with effect from a date to be agreed with the Clerk of the Privy Council as set out in Schedule C to this resolution

and

that the Charters and Bye-Laws of CIPFA in force at the date of admission of CIPFA members into the Institute be and are hereby adopted from time to time and to the extent considered necessary by the Council of the Institute for the purposes only of the determination of members’ and prospective members’ rights and obligations, until such date as may be determined by the Council of the Institute.

Schedule A

DRAFT PETITION

TO THE QUEEN'S MOST EXCELLENT MAJESTY IN COUNCIL

THE HUMBLE PETITION OF THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES ("ICAEW") AND THE CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY ("CIPFA") (together "**the Institutes**" or "**Your Petitioners**") SHEWETH as follows: -

1. The ICAEW was incorporated by Royal Charter on 11th May 1880 and was granted a Supplemental Charter on 21st December 1948 ("the 1948 Charter").
2. CIPFA was founded in 1885, incorporated as a company in 1901, re-incorporated by Royal Charter on 6th January 1959 as the Institute of Municipal Treasurers and Accountants, and renamed the Chartered Institute of Public Finance and Accountancy by Supplemental Charter granted on 24th October 1973.
3. The main object of the ICAEW is to advance the theory and practice of accountancy in all its aspects including in particular auditing, financial management and taxation, and the main object of CIPFA is to advance the science of public finance and of accountancy and cognate subjects as applied to all or any of the duties imposed upon and functions undertaken by public service bodies.
4. The Institutes in general meetings held on 25th October 2005 have resolved to authorise their Councils jointly to submit this Petition Your Majesty to the effect that it would be in the interests of the public and of both Institutes, to recognise the international reach of the Institutes, to facilitate the admission of members of CIPFA into the ICAEW, and to enhance the future effectiveness of the professional activities of the combined memberships of the Institutes, for a Supplemental Charter to be granted to the ICAEW changing its name and adding to its objects.
5. The general meeting of CIPFA has also resolved to authorise the Council of the Institute, in the event that this Petition is successful, to take the necessary steps to create a new charitable entity as a recipient of the assets of CIPFA and to Petition Your Majesty in due course to accept the surrender of the charters of the Institute.

YOUR PETITIONERS therefore most humbly pray that Your Majesty may be graciously pleased in exercise of Your Royal Prerogative to grant a Supplemental Charter in the terms of the draft herewith submitted or in such terms as may to Your Majesty seem proper.

AND YOUR PETITIONERS will ever pray, etc.

[executed under Seal and witnessed]

[ICAEW]

[CIPFA]

Schedule B

SUPPLEMENTAL CHARTER

ELIZABETH THE SECOND, by the Grace of God, of the United Kingdom of Great Britain and Northern Ireland and of Our other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith:

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING!

WHEREAS Her Late Majesty Queen Victoria was pleased, by Royal Charter dated 11th May 1880 (hereinafter referred to as "the Charter of 1880"), to establish The Institute of Chartered Accountants in England and Wales (hereinafter referred to as "the existing Institute") as a body corporate with perpetual succession and a common seal:

AND WHEREAS His Late Majesty King George the Sixth was pleased, by Supplemental Charter dated 21st December 1948 (hereinafter referred to as "the Supplemental Charter of 1948") to revoke certain provisions of the Charter of 1880 and to make new provision in respect of the objects, powers and constitution of the existing Institute:

AND WHEREAS We were pleased, by Royal Charter dated 6th January 1959, to establish a body corporate by the name of the "Institute of Municipal Treasurers and Accountants" and by Supplemental Charter dated 24th October 1973, to re-name the said body corporate as "The Chartered Institute of Public Finance and Accountancy" (hereinafter referred to as "the fellow Institute") and to make new provision in respect of its objects, powers and constitution:

AND WHEREAS it is proposed that the members of the fellow Institute should be admitted into membership of the existing Institute:

AND WHEREAS an humble Petition has been presented unto Us jointly by the existing Institute and the fellow Institute praying that, to recognise the international reach of the existing Institute and the fellow Institute, to facilitate the said admission of members, and to enhance the future effectiveness of the professional activities of the combined memberships, We might be graciously pleased to grant a further Supplemental Charter to the existing Institute amending the name of the existing Institute and the terms of the Supplemental Charter of 1948 relating to the objects of the existing Institute:

NOW THEREFORE KNOW YE that We, having taken the said Petition into Our Royal Consideration, and being minded to accede thereto, have by virtue of Our especial grace, certain knowledge and mere motion, granted and declared and do by these Presents for Us, Our Heirs and Successors hereby grant and declare that

- (1) the existing Institute shall henceforth be known by the name and style of the "Institute of Chartered Accountants"; and
- (2) the Supplemental Charter of 1948 shall be amended:
 - (a) by substituting for article 1 (a) (i) thereof the following
"i) to advance the theory and practice of accountancy and public finance in all their aspects;";
 - (b) by substituting in article 2(c) thereof "persons" for "members";
 - (c) by substituting for article 3 the following:
"3. The members of the Institute shall be divided into categories, shall be admitted to membership, shall enjoy rights, and shall pay fees and subscriptions, in accordance with the bye-laws and regulations of the Institute.";
 - (d) by deleting articles 4 to 9 inclusive.

AND Our Royal Will and Pleasure is that this Our Supplemental Charter shall ever be construed in every case most favourably to the existing Institute and the promotion of its objects.

IN WITNESS whereof We have caused these Our Letters to be made Patent.

WITNESS Ourselves at Westminster the _____ day of _____ in the _____ year of Our Reign.

BY WARRANT UNDER THE QUEEN'S SIGN MANUAL

Schedule C

AMENDMENTS TO BYE-LAWS

1. In Principal Bye-law 1(a)(i) in the definition of *“Provisional member”* and in Disciplinary Bye-law 1(2) in the definition of *“Provisional member”* add in each case at the end:

“Provisional member” includes a person who –

- (i) was prior to [date] a non corporate member of the Chartered Institute of Public Finance and Accountancy (*“CIPFA”*) being an affiliate, associate or registered student; or who had passed the Professional Accountancy Qualification (*“PAQ”*) and was eligible to apply for membership;
- (ii) registered after [date] to study for the PAQ or any certificate or diploma relating to public finance; or who has passed the PAQ and is eligible to apply for membership;
- (iii) after [date] is awarded by the Institute any certificate or diploma relating to public finance and/or is registered with the Institute as being the equivalent of a former CIPFA affiliate or associate.”.

2. Before Principal Bye-law 5 in Chapter III insert:

“Categories of members

4A. The members of the Institute shall be its fellows and associates, and the corporate members of CIPFA at [date] and persons admitted to the Institute on the equivalent basis.”.

3. After Principal Bye-law 5 insert:

“Use of descriptions and letters by members

5A. Subject to regulations, a member may describe himself as a Chartered Accountant and may use after his name in the case of a fellow the letters *“FCA”* and in the case of an associate the letters *“ACA”*, and in the case of any other corporate member the letters *“CPFA”*. In addition, or alternatively, a member may use after his name the letters *“MICA”*.”.

4. In Principal Bye-law 10(b) after shall be” insert *“the choosing of a President, Deputy-President and Vice-President,”*.

5. In Principal Bye-law 32 for *“20 co-opted”* substitute *“30 co-opted”*.

6. In Principal Bye-law 33 for the first sentence substitute *“Election to the Council shall be on the basis of constituencies.”*.

7. For Principal Bye-law 35(c) substitute:

“(c) An elected member of the Council shall, subject to these bye laws and the Disciplinary Bye-laws, hold office as specified in regulations.”.

8. In Principal Bye-law 36(a) after *“member”* insert *“or provisional member”* and for *“twenty”* substitute *“thirty”*.

9. In Principal Bye-laws 37(a) and 37A after *“member”* insert *“or provisional member”*.

10. In Principal Bye-law 43 for *“At the first meeting of the Council after every annual meeting the members of the Council present”* substitute *“At the annual meeting, members”* and for *“the first meeting of the Council held after”* substitute *“the conclusion of”*.

11. After Principal Bye-law 43 insert new Principal Bye-law 43A as follows:

“43A. Arrangements for the choosing of one or more Presidents, Deputy-Presidents and Vice-Presidents in the period up to but not including the date of the annual meeting in 2007 shall notwithstanding the terms of Principal Bye-law 43 be as set out in regulations.”

- and renumber existing Principal Bye-law 43A as 43B.

12. In Principal Bye-law 46 for *“At”* substitute *“Except in circumstances where, under regulations, a three-quarters or other enhanced majority is required, at”*.

13. Insert new Disciplinary Bye-law 38 and heading:

“Transitional provisions following integration with CIPFA

38 (1) With effect from [date] these bye-laws shall apply to any person who was subject to the jurisdiction

Schedule C

of the Chartered Institute of Public Finance and Accountancy ("CIPFA") immediately before that date, provided that the liability of any such person to disciplinary action (and any order, direction or requirement resulting therefrom) shall, if the facts and matters complained of took place before that date, be determined in accordance with the CIPFA Bye-Laws, CIPFA Disciplinary Regulations and requirements in force at the time the facts or matters complained of took place;

(2) Subject to paragraph (3) any disciplinary proceedings under this bye-law shall be conducted in accordance with the bye-laws and regulations in force at the time of the proceedings;

(3) Any matter referred to a disciplinary or appeal committee of CIPFA before [date] shall, so far as is practicable, be dealt with under CIPFA Bye-Laws, CIPFA Disciplinary Regulations and procedures in force immediately before [date];

(4) The Institute shall record, give effect to and be entitled to enforce any order or direction made or requirement imposed by CIPFA before [date] under CIPFA Bye-Laws and CIPFA Disciplinary Regulations;

(5) This bye-law, or any part thereof, shall cease to have effect and shall be deleted on such date as may be determined by the Council."

