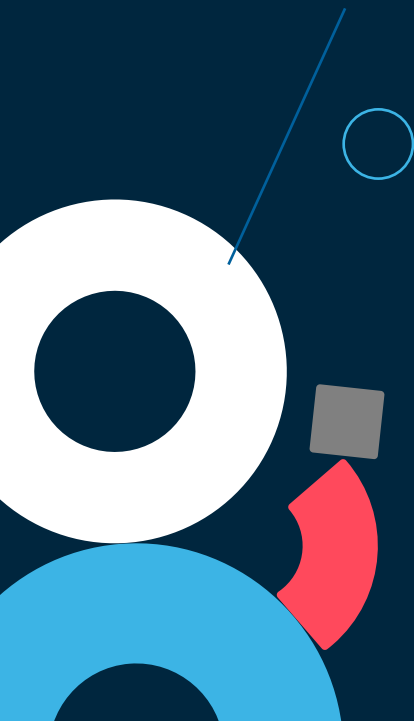
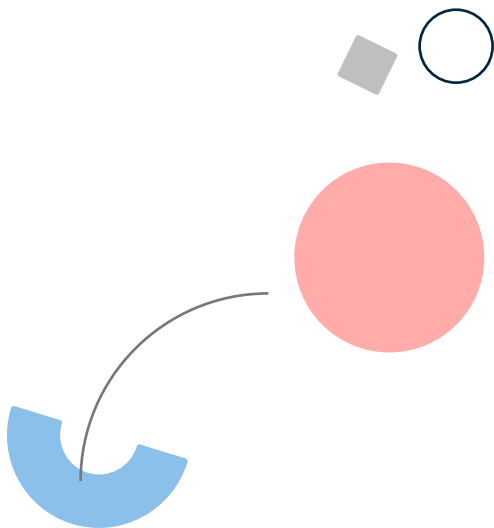


# Accountant introducer regulation FAQ





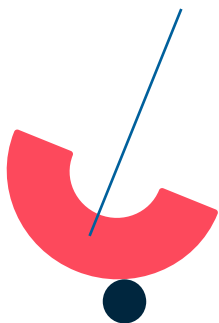
iwoca 

# Is iwoca a regulated business?




Yes

iwoca is fully authorised and regulated by the Financial Conduct Authority (FCA) for consumer credit under licence number 723378 and also as an Account Information Service Provider for Open Banking.

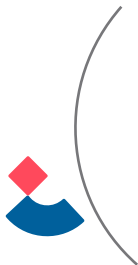


## **Can members of a professional body that is not designated by the Treasury (eg. CIMA/AAT) still introduce clients to finance providers?**



Yes, if the referred client is a Limited Company or Limited Liability Partnership.


An FCA credit-broking licence is required if you want to introduce sole traders or unincorporated partnerships with fewer than four partners.



## As a practising accountant, can I introduce my clients to external finance providers without an FCA licence?

The Consumer Credit Act does not apply to Limited Companies and Limited Liability Partnerships, therefore you do not require an FCA licence to introduce them to finance providers.

To introduce clients of other company types (eg. sole traders), you do not need an FCA licence if you are **“supervised and regulated by a professional body designated by the Treasury”**, subject to the conditions listed below. The ICAEW, ICAS and the ACCA are professional bodies designated by the Treasury.



If you are a member of a designated body, the following conditions must be met in order for you to introduce these other company types:

- You must not be affected by an order or direction made by the FCA
- You must fully disclose to your client any reward received for the introduction
- Your client introductions to finance providers must be incidental to the professional services you normally undertake
- You must carry out only those activities permitted by the professional body of which you are a member
- You must not be already authorised by the FCA

The FCA regulations broadly interpret even a mild form of introduction as a credit-broking activity. Therefore if you are not a member of a designated body, you will require an FCA licence in order to introduce sole traders and unincorporated partnerships with fewer than four partners to finance providers.



## **Am I able to earn a referral fee from introducing my clients?**

In short, yes. All professional bodies for accountants have a published code of ethics, which sets out guidelines on earning referral fees. The general principle is that you are required to disclose fee arrangements to your client and seek their approval prior to an introduction.

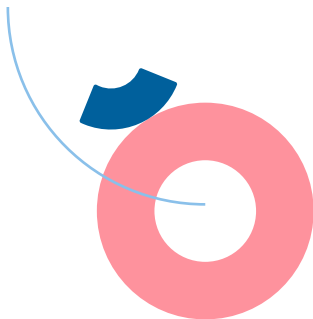
This disclosure can be included within your standard engagement letter, terms and conditions, or a separate written notification.

Members of the following bodies should refer to these relevant publications:

- ICAEW Members: ICAEW code of ethics - section 240.5/240.7
- ICAS Members: ICAS code of ethics - section 240.5/240.7
- ACCA Members: Rulebook 2018 - section 220.18

Members of other professional bodies should refer to their relevant code of ethics.

iwoca works with a number of accountants who earn referral fees for their successful introductions, as part of their strategy to grow a new, incremental revenue stream. However, we also offer an alternative option of an interest free period of 30 days following the client's initial drawdown of funds to suit accountants who want to pass the benefit on to their client directly.







# Let's talk

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