

Get Business Licensed

Proposed Details for SIA Business Licensing Conditions

October 2013



Security Industry Authority

Proposed Details for SIA Business Licensing Conditions

The Home Office has been working with the SIA on the introduction of business licensing. Home Office Ministers have publicly stated their commitment to the regulatory reforms and the introduction of business regulation; which will help create a fair business environment for security companies, remove rogue operators, and deliver better value regulation.

The Scottish Government and Department of Justice for Northern Ireland have indicated that they are supportive of a consistent UK-wide regulatory regime. Business licensing is subject to Ministerial approval and the approval of the Scottish Government and the Department of Justice for Northern Ireland.

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Definitions

There are a number of technical terms associated with the business licensing regime. Below is a list of definitions that apply throughout this document.

Agency – Details to follow.

Applicant – the business entity making the SIA business licence application.

Application fee – a one-off fee paid when an application is submitted for a business licence.

Approval conditions – conditions applied to a business licence, under section 15(2)(c) of the *Private Security Industry Act 2001*, that must be complied with for the duration of the business licence.

Additional conditions – conditions applied to a business licence when it is granted or during the licence period, under 15(2)(g) of the *Private Security Industry Act 2001*, that must be complied with for the duration of the business licence.

Business – includes all types of legal entities, including any partnership, body corporate, unincorporated association and sole trader (where applicable).

Business licence – a licence granted by the SIA to a regulated business in accordance with the arrangements made for the grant of mandatory approvals under section 15 of the *Private Security Industry Act 2001*.

Controlling minds – includes every:

- director and shadow director of a regulated business;
- director and shadow director of any holding or parent company/ies above a regulated business in the chain of command in a company's organisational structure, regardless of where the holding or parent company is incorporated;
- director and shadow director of any subsidiary company/ies sitting directly between a holding or parent company that is applying for a business licence and a regulated business in the chain of command in a company's organisational structure;
- partner, where the regulated business is a partnership; and
- member of the body corporate, where the regulated business is a body corporate whose affairs are managed by its members, unless the body corporate is a local authority. In relation to local authorities, the SIA deems the statutory posts outlined in sections 4-6 of the *Local Government and Housing Act 1989* to be the body corporates controlling minds.

Director – as defined in section 25 of the *Private Security Industry Act 2001*.

Holding company – defined in reference to section 1159 of the *Companies Act 2006*.

In-house – licensable conduct carried out other than in relation to a contract for services i.e. a business provides security to itself, using its own staff.

Large business – any regulated business that provides more than 250 licensable individuals. See

page 14 for information regarding how to calculate the size of a business.

Licence period – a business licence period is five years.

Licensable conduct – the carrying out of activity in accordance with section 3(2) of the *Private Security Industry Act 2001*.

Licensable individuals – individuals who carry out licensable conduct.

Licensed business – any business that holds a valid SIA business licence in accordance with the arrangements made for the grant of mandatory approvals under section 15 of the *Private Security Industry Act 2001*.

Medium business – any regulated business that provides between 26 and 250 licensable individuals. See page 14 for information regarding how to calculate the size of a business.

Micro-business – any business providing 10 or fewer licensable individuals. See page 14 for information regarding how to calculate the size of a business.

Offence date – the date it will become a criminal offence for a regulated business to supply security industry services without a business licence; being 6 April 2015.

Parent company – defined in reference to section 1173 of the *Companies Act 2006*.

Provide [in the context of “providing security industry services”] – securing that the activities of a security operative are carried out, or securing that a person is made available to carry out (under directions given by or on behalf of another person) activities that will (or are likely to) include the activities of a security operative.

Qualifying condition – a condition that must be met in order to obtain approval for a business licence, under section 15(2)(b) of the *Private Security Industry Act 2001*, and which must be complied with for the duration of the business licence.

Reporting officer – a controlling mind nominated by a business to be the SIA’s point of contact regarding its business licence status.

Regulated business – all businesses subject to regulation by the SIA under section 15 of the *Private Security Industry Act 2001*; being all businesses that provide licensable individuals to supply security industry services in the United Kingdom.

Sector – a category of activity regulated by the SIA. The sectors are:

- The Manned guarding sector – Cash and Valuables in Transit, Close Protection, Door Supervision, Public Space Surveillance CCTV, and Security Guarding.
- Key holding.
- Immobilisation of vehicles, in Northern Ireland only (including the restriction and removal of vehicles).

Security industry services – licensable conduct carried out in relation to a contract on behalf of or under the direction of a regulated business.

For detailed information regarding what activities are regarded as security industry services please see section 25 of the *Private Security Industry Act 2001*, the SIA’s guidance booklet for individual licensing entitled *Get Licensed*, or the [SIA website](#).

Shadow director – as defined in section 251 of the *Companies Act 2006*.

SIA online portal – a web portal created to enable the day to day regulation of businesses and individuals, including submission of applications for SIA products, communication with SIA customers and a knowledge base to support regulated businesses. The portal will be available at www.sia.homeoffice.gov.uk.

Small business – any regulated business that provides between 11 and 25 licensable individuals. See page 14 for information regarding how to calculate the size of a business.

Sub-contractor – a subcontractor is any business which has agreed to carry out security industry services on behalf of another business or body which is a contractor or deemed contractor – whether by supplying the security industry services itself, or by having them performed by its own subcontractors, or in any other way.

The term subcontractor includes:

- All types of legal entities, including a body corporate, public body, unincorporated association, sole trader and self-employed individual providing individuals to carry out licensable conduct under a contract for services;
- An employment business which contracts either to get work done with its own workforce, or to supply workers to a contractor;
- A business incorporated outside of the UK if the security industry services for which it is being paid take place in the United Kingdom; and
- A local authority or public body if they are engaged in providing security industry services for someone else.

Subsidiary company – as defined in section 1159 of the *Companies Act 2006*.

Start-up business – a business that has the capacity and capability to provide security industry services and is actively looking for contracts.

A business is **not** considered a start-up if:

- at any time in the six months prior to the commencement of this business, it carried on another business that did mostly the same activities;
- the new business is the result of the transfer of another business which carried out mostly the same activities; or
- the new business takes on an existing business or part of an existing business.

For the purposes of obtaining a business licence, a start-up business only remains a start-up for six months from the date a business licence is approved.

Subscription fee – an annual fee paid to maintain a business licence.

Yearly return – information submitted by a business licence holder to the SIA annually in order to maintain a business licence.

Introduction

From 6 April 2015, if your business provides licensable individuals to supply security industry services, you will be required to obtain a business licence from the Security Industry Authority (SIA). This document tells you whether you need a business licence, how and when to apply, the associated fees, the conditions of your business licence and what enforcement action we will take if you operate without a business licence.

About the SIA

The Security Industry Authority is the organisation responsible for regulating the private security industry. We are an independent body reporting to the Home Secretary, established in 2003 under the terms of the *Private Security Industry Act 2001* (PSIA). Our mission is to be an effective, fair and efficient regulator of the private security industry. Our remit covers regulation of designated private security activities carried out in the UK.

For more information please see the SIA website, www.sia.homeoffice.gov.uk.

The SIA is changing the way it regulates the private security industry

In October 2010, the Government announced a phased transition to a new regulatory regime for the private security industry in the UK. The Government's deregulatory objective is to ensure that the new regime reduces the overall direct and indirect regulatory cost and burden on the private security industry, reduces criminality and poor business practices within the industry, realises greater public protection benefits, builds on investment in the industry, and increases support for law enforcement partners, particularly those focused on disrupting serious and organised crime.

Currently, the SIA regulates the private security industry through the compulsory licensing of individuals who undertake licensable conduct, and through maintaining a voluntary Approved Contractor Scheme (ACS) for businesses. Under the new regulatory regime, the focus will shift to the mandatory licensing of private security businesses.

The arrangements for how the private security industry in the UK is regulated are set out in the PSIA. The new regulatory regime is being introduced via sections 14-18 of the PSIA; creating a system whereby the SIA has the power to approve businesses to hold a business licence if they are considered 'fit and proper' to supply security industry services in the private security industry.

Business Licensing

From 6 April 2015, it will be a criminal offence for a regulated business to provide licensable individuals to supply security industry services, unless that business has an SIA business licence.

Regulated businesses will need to apply to the SIA to obtain a business licence, and obtain approval for each sector in which they wish to supply security industry services. The relevant sectors are:

- The Manned guarding sectors – Cash and Valuables in Transit, Close Protection, Door Supervision, Public Space Surveillance CCTV, and Security Guarding.
- Key holding.
- Immobilisation of vehicles, in Northern Ireland only (including the restriction and removal of vehicles).

In order to obtain a business licence, businesses will need to pay an application fee and demonstrate that they are 'fit and proper' to supply security industry services in the private security industry, which will include demonstrating conformance with the relevant British Standards.

A business licence lasts for five years. In order to maintain a business licence, businesses will be required to comply with a set of approval conditions on an ongoing basis, pay an annual subscription fee and supply the SIA with a yearly return evidencing their continued compliance with their business licence conditions.

On obtaining a business licence, businesses will be added to a new public register for business licence holders. The register will be maintained by the SIA and will be available to view on the SIA website.

Importantly, primary responsibility for providing properly licensed individuals will rest with businesses. It will be a criminal offence for a regulated business to fail to take reasonable steps to confirm that any licensable individuals they provide:

- a. have had their identity and right to work verified;
- b. hold a valid SIA individual licence; and
- c. are complying with the terms of that individual licence.

Approved Contractor Scheme (ACS)

The industry has invested a great deal of time and effort in the existing voluntary Approved Contractor Scheme (ACS), and many buyers (including the Scottish Government) require their security suppliers to be an Approved Contractor.

Industry investment in ACS is being protected and the scheme will continue to operate under the new regulatory regime, providing assurance of the quality of the security service supplied. The change will be that the scheme will operate with amended criteria and conditions for approval in order to take into account the elements that will be covered by the mandatory business licensing regime.

Businesses already approved under the ACS will still need to apply for a business licence; the ACS will represent a voluntary additional approval for businesses wishing to demonstrate higher compliance and quality. Businesses can apply for this approval once they are granted a business licence. For more information regarding what business licensing means for ACS Contractors, or for details of how to apply to become an Approved Contractor, please see the [SIA website](#).

Individual Licensing

Individuals carrying out licensable conduct under section 3(2) of the PSIA will continue to be required to obtain an individual licence.

The penalties for operating without a business licence

From 6 April 2015, it will be a criminal offence under sections 17(2) and (3) of the PSIA for a person to:

- provide security industry services unless they are approved under section 15 in respect to those services (section 17(2)); or
- contravene any of the conditions of their approval in respect to any security industry services they are approved to provide under section 15 (section 17(3)).

Practically, this means that from 6 April 2015 it will be a criminal offence for regulated businesses to provide licensable individuals to supply security industry services:

- a. without a business licence; or
- b. in breach of the approval conditions of that business licence.

The penalty for these offences will be:

- summary conviction at a Magistrates Court (or the Sheriff Court in Scotland) with a maximum penalty of a fine up to £5,000; or
- trial on indictment at a Crown Court (or the Sheriff Principal in Scotland) with a maximum penalty of an unlimited fine.

Additionally, if either of these offences are committed by a regulated business, the controlling minds of that business may also be individually liable if it can be shown that the offence was committed with the consent, connivance or attributable negligence of that controlling mind.

You should seek your own independent legal advice on this matter if you are concerned about your personal or company liability.

Timeframes

Business licence applications can be made to the SIA from 7 April 2014.

On 6 April 2015, it will become a criminal offence for a regulated business to operate without a business licence. This means that you must have **been granted** your business licence before 6 April 2015.

It is difficult for us to predict the length of time it will take us to process a business licence application during the year leading up to the offence date. During this time the SIA will be dealing with approximately 3,000 to 4,000 applications. In order to ensure your application is processed and your business licence is granted to you by 6 April 2015, the SIA strongly recommends that you lodge your application by 1 October 2014. The SIA cannot guarantee that it can complete the processing of applications received after this date in time for 6 April 2015.

For an indication of how long the business licence application process may take, from performing the various actions needed to meet the qualifying condition for a business licence, to being granted a business licence, please see page 21.

Keeping up to date

Our published qualifying and approval conditions will be revised from time to time. To ensure that you have the most recent version of the conditions please consult the [SIA website](#).

Who needs a business licence?

Regulated businesses

All businesses that provide licensable individuals to supply security industry services in the United Kingdom are required to obtain a business licence.

This requirement applies regardless of:

- **Legal status.** The term business includes all types of legal entities, including any partnership, body corporate, unincorporated association and sole trader (where applicable).
- **Location.** If you supply security industry services in the United Kingdom you are required to obtain a business licence.
- **Size.** Micro-businesses and start-ups will need to obtain a business licence, along with small, medium and large businesses.
- **Function.** You are required to obtain a business licence whether private security is your primary role or whether it forms only part of the overall role of your business e.g. an event management company that provides door security as part of its service.
- **Source of licensable individuals.** Even if an individual is not employed by you (because they are supplied by another business, agency or are self-employed), if you provide them, then you need a business licence.

You need a business licence if:

- You are a body corporate, partnership, unincorporated association or sole trader.
- You are business supplying security industry services, regardless of the size of your overall operations.
- You are a business supplying security industry services in the following sectors:
 - The Manned guarding sectors – Cash and Valuables In Transit, Close Protection, Door Supervision, Public Space Surveillance, and Security Guarding.
 - Key holding.
 - Immobilisation of vehicles, in Northern Ireland only (including the restriction and removal of vehicles).

Specific examples of when you require a business licence are:

- When you provide individuals to carry out licensable conduct under a contract for services that are employed, self-employed, or supplied to you by other businesses (including licensable security businesses, other labour providers, umbrella companies or agencies);

- If you are self-employed and you provide individuals to carry out licensable conduct under a contract for services;
- When you are a limited company and provide a company director to carry out licensable conduct under a contract for services;
- When you are an agency that provides licensable individuals to a customer (including providing to another security business) under a contract for services;
- When you provide security industry services to a customer, but you sub-contract all services to another security provider;
- When you supply security industry services, but only do so as a sub-contractor to a business that holds the contract with the customer; or
- You are a business that operates using a franchise arrangement e.g. a business which operates via a number of franchisees (with each franchisee being a separate legal entity), and the business contracts with a customer for security industry services to be supplied by a franchisee.

You do not need a business licence if:

- You are a sole trader or self-employed and you only provide yourself under a contract for services.
- You are a sole trader or self-employed in circumstances where you only provide yourself under a contract held by another person who requires a business licence.
- You are a business that only employs 'in-house' security operatives. This means that you do not provide licensable individuals to another party under a contract for services. Please note that this includes all 'in house' security providers, including the two current sectors which are subject to SIA individual licensing requirements.¹

Specific examples of when you do NOT require a business licence are:

- You use licensable individuals but do not provide any security operatives under a contract for services (your security activity is in-house);²
- You only provide volunteers, unless the volunteers are undertaking vehicle immobilisation;
- You are a customer of security industry services i.e. you have been supplied with security operatives by an agency or security company under a contract for services;
- You are an individual security operative who has been supplied by an agency to undertake licensable conduct; or
- You only provide individuals who are excluded or exempted from SIA licensing requirements. Advice on the individuals excluded and exempted from the individual licensing regime is available on the [SIA website](#).

¹ Currently only in-house door supervisors for all of the UK and vehicle immobilisers in Northern Ireland are subject to SIA individual licensing requirements.

² If at any point you move from using in-house security operatives to providing security operatives under a contract for services, you will require a business licence.

Change of legal entity

A business licence is granted to a particular legal entity. If you start providing services as a different legal entity because of a merger, takeover or other re-structuring or, for example, because you start trading as a company when you had been a sole trader, then you must apply for a new business licence. This applies even if the key individuals remain the same and the new business is providing the same services as the old one.

You are not required to apply for a new business licence if the controlling minds or name of your business changes, but the legal entity remains the same. However, in accordance with the approval conditions for holding a business licence, you must notify the SIA of any such changes in advance of, or in any event within 21 calendar days after, the change has occurred.

Group structures

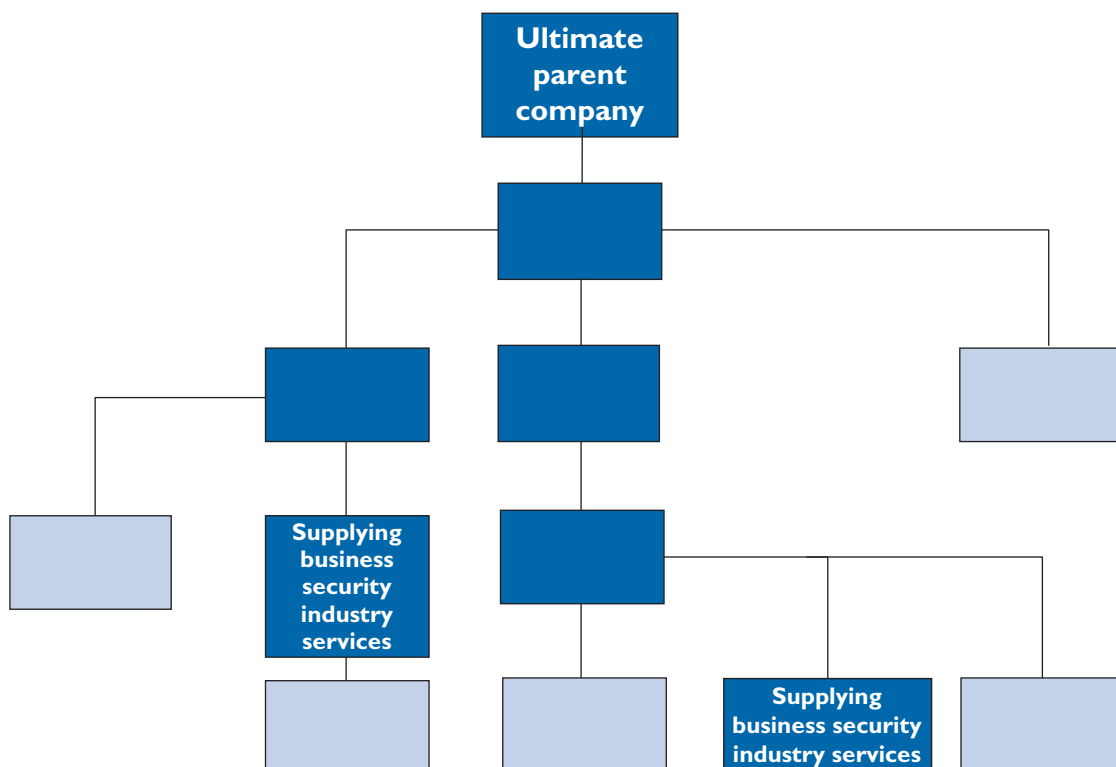
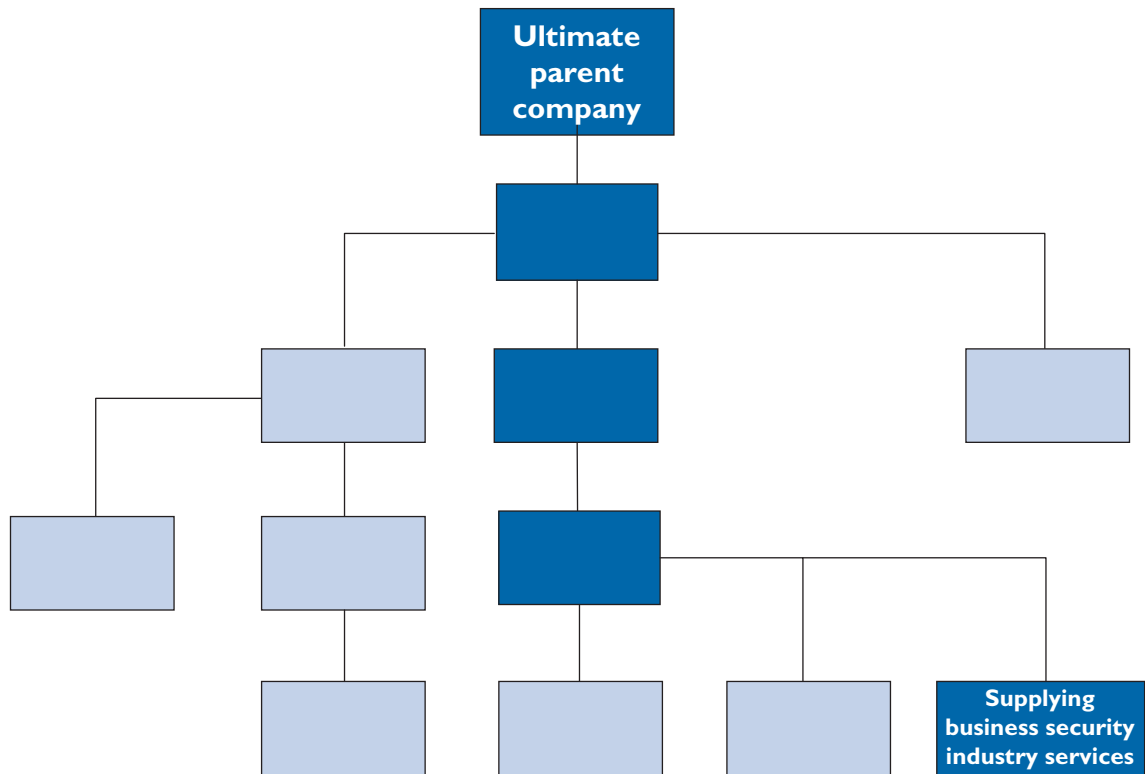
Holding or parent companies which own subsidiary businesses that are required to obtain a business licence may wish to apply for a single business licence rather than each subsidiary business doing so. In these instances, additional conditions will be attached to the business licence outlining which subsidiary businesses the business licence applies to.

It is a matter for group structures themselves to decide whether they wish to apply for a single business licence that is applicable to each of their specified regulated businesses, or a separate business licences for each subsidiary regulated business. In making this decision businesses will of course need to ensure that they do this in such a way that meets the regulatory requirements.

Regardless of which business a group structure chooses to obtain a business licence for i.e. whether it is a regulated business or a holding/parent company of a regulated business, the directors and shadow directors of each business in that chain of command in the company's organisational structure, from the regulated business to the final parent company, will be considered controlling minds and assessed accordingly.

Group Structure Chart

Regardless of which business a group structure chooses to obtain a business licence for, the directors and shadow directors of each business in the chain of command, from the business supplying security industry services to the ultimate parent company, will be considered controlling minds.



Getting business licensed

Qualifying for a business licence

To qualify for a business licence, businesses must demonstrate that they are 'fit and proper' to supply security industry services in the private security industry.

Businesses must apply for a business licence and obtain approval for each of the sectors in which they wish to supply security industry services.

Size of your business

The size of your business will determine the amount of your application and subscription fee, and how you are required to demonstrate that you are 'fit and proper' to hold a business licence.

The size of your business depends on your annual average head count in the previous year; being the average number of licensable individuals who carried out licensable conduct on behalf of or under the direction of your business over the course of the year.

Business Size	Average Annual Head Count
Micro-Businesses	0-10 licensable individuals
Small Businesses	11-25 licensable individuals
Medium Businesses	26-250 licensable individuals
Large Businesses	251+ licensable individuals

In order to calculate your annual average head count, you first need to calculate your head count for each month in the previous calendar year; being 12 months from the month prior to the month you are applying for your business licence e.g. if you apply for your business licence in June 2014, you will need to calculate your head count for each month from June 2013 to May 2014.

Head Count = the total number of licensable individuals who carry out licensable conduct on behalf of, or under the direction of, your business.

Your head count should include individuals who were provided on a full time, part time, casual and one-off basis, and should represent the total number of licensable individuals you provided across all sectors of your business, regardless of the number of hours worked by those individuals. Your head count should also include any licensable directors, partners and managers.

In order to calculate your annual average head count, you should then add together each monthly head count and divide the amount by 12.

Annual Average Head Count = each monthly head count added together and divided by 12

In instances where you do not have 12 months data available you should divide the amount by the number of months data you have available i.e. if you only have eight months data, then you will need to add these figures together and divide them by eight to obtain your annual average head count figure. If you do not have any data, which will typically be the case with start-up businesses, you will need to use an estimate of your annual average head count figure for the coming 12 months.

Fees

Application fee

An application fee must be paid when you apply for a business licence.

The application fee is:

Businesses	Application Fee (£)
Micro-Businesses (0-10 licensable individuals)	<i>Detail to follow</i>
Small Businesses (11-25 licensable individuals)	
Medium Businesses (26-250 licensable individuals)	
Large Businesses (251+ licensable individuals)	

This is a one off fixed fee. You will not be required to pay another application fee if you apply for approval for your business licence to cover an additional sector, or to renew your business licence. However, if you have your application for a business licence refused, or subsequently have your business licence withdrawn or suspended, you will be required to submit another application fee to have your new business licence application considered. Additionally, if you start providing services as a different legal entity you will need to make a new business licence application and submit an application fee.

Payment will be required when you submit your business licence application. Assessment of your application will not commence until cleared payment has been received.

This fee is payable whether your business licence is granted or refused. You can withdraw your application at any time; however no part of the application fee is refundable, other than in exceptional circumstances as defined by the SIA.

Subscription fee

In addition to the application fee, a subscription fee must be paid annually to maintain your business licence.

When your first annual subscription fee is due depends on when you apply for your business licence. If the SIA receives your business licence application:

- on or before 1 October 2014 – your first annual subscription fee payment will be due on the one year anniversary of the date you are granted approval for your business licence.
- after 1 October 2014 but before 6 April 2015 – your first annual subscription fee payment will be due on 6 April 2015, or at the time you are granted approval for your business licence, whichever is later.
- on or after 6 April 2015 – your first annual subscription fee will be due at the time you are granted approval for your business licence.

For more information regarding subscription fees, including how to calculate the amount of your subscription fee, please see page 38.

Holding a business licence in multiple sectors

Some businesses will need their business licence to include approval to supply security industry services in more than one sector. If your business wishes to supply security industry services in an additional sector, and needs approval for that additional sector after you have already obtained a business licence, you should submit an application via the SIA online portal, or via email if you wish to make your application prior to 30 June 2014.

There is no application fee to apply for your business licence to include approval in an additional sector.

In order to obtain approval to supply security industry services in an additional sector you will need to demonstrate conformance with the relevant British Standards. For further information regarding how to demonstrate that your business is competent, please see page 28.

To apply for a business licence you will need to visit the [SIA website](#) and download a business licence application form. This form, and any supporting documentation, should then be submitted via post to the SIA at: PO Box 49768, London, WC1V 6WY.

Anybody can fill out an application for a business licence. However, when the application form is completed, a controlling mind responsible for the day-to-day management of the business must make a declaration on behalf of the business. This person will then become the SIA reporting officer, and will be listed as the contact person regarding the licence status of the business.

The SIA requires sufficient information to support our assessment of whether your business is 'fit and proper' to supply security industry services in the private security industry.

During this assessment, we will consider your business based on information obtained in regard to the following elements:

- **Identity** – the identity of the business and its controlling minds.
- **Criminality** – the criminal record of the business and its controlling minds.
- **Financial probity** – the financial and other circumstances of the business and its controlling minds.
- **Integrity** – the ethical conduct, honesty and trustworthiness of the business and its controlling minds.
- **Competency** – the experience, knowledge, expertise, qualification and history of the business and its controlling minds.

Guidance regarding the specific pieces of information you are required to submit is detailed on pages 21-33.

Please note that any information submitted in an application will be processed in accordance with the *Data Protection Act 1998*, and may be shared with other government departments, law enforcement agencies and appropriate third parties. For more information regarding the SIA's Data Protection and Privacy policies, please see the [SIA website](#).

Upon receiving your business licence application, the SIA will add your business name to the list of business licence applicants on the SIA website. Your business name will be removed from this list once the SIA has made the decision to grant or refuse your business licence.

Risk assessments

The SIA is a risk-based regulator, which means that risks are assessed in terms of their probability and the impact of any harm they may cause. This approach will ensure business regulation is applied proportionately; reducing the burden on those businesses that remain compliant with their business licence conditions, and focusing the SIA's attention on those businesses that pose the greatest threat to the SIA's objectives.

The SIA does not seek to eliminate risk completely, but to make the best use of its resources to proactively reduce the risks posed to an acceptable level. The SIA seeks to remain flexible and adaptable to changes across the private security industry, and regularly engages with both partners and stakeholders to enhance the information it holds regarding the nature and extent of any new risks.

The SIA will apply a risk based approach to the initial and ongoing assessment of your business. This will help us determine the appropriate level of intervention required both at the initial application stage and on an ongoing basis.

For more information regarding how the SIA undertakes its risk assessments please see the [SIA website](#).

Notification of the SIA's conclusions

After undertaking an assessment of your business, the SIA will then make a decision whether to:

- grant a business licence;
- grant a business licence subject to additional conditions; or
- refuse a business licence.

If we decide to grant a business licence, we will notify you. We will also add the details of your business licence to the register of approved business licence holders published on our website.

If we believe it may be necessary to refuse your application, we will write to you notifying you that we are *minded to refuse* your business licence, providing the basis for our decision, and inviting you to supply us with further information, if appropriate.

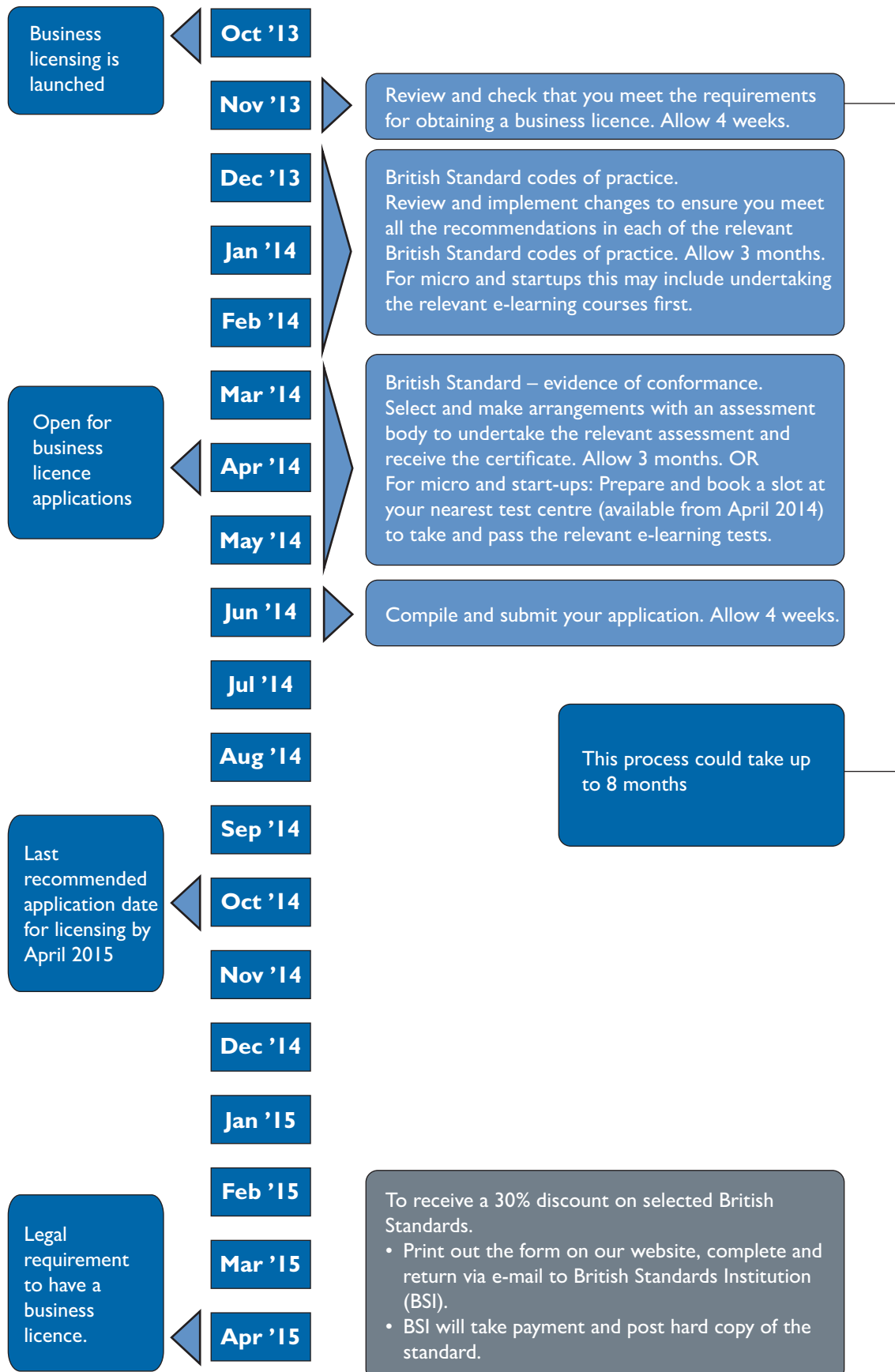
For further information regarding this process please see page 42.

Example application timeframe

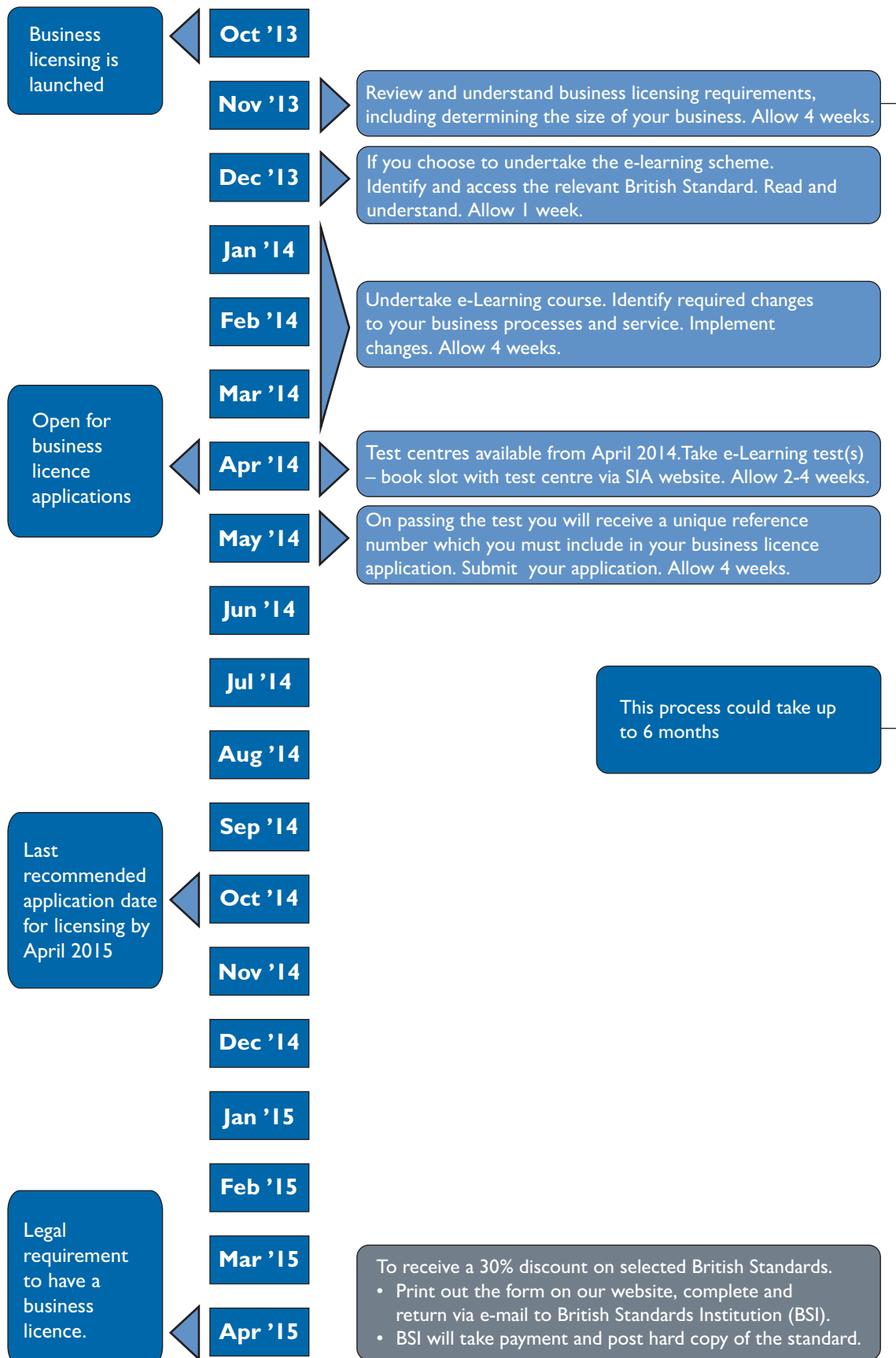
It is important to remember that applying for a business licence is the last step in the business licence process. You must first ensure that you meet the qualifying condition, which includes being able to demonstrate to the SIA that you are competent to undertake the security industry service/s that you intend to supply. For some businesses, this will require undertaking some form of training and the design, development and implementation of new policies, processes and practices, which in itself takes time.

Do not underestimate how long this process can take. The earlier you start, the more likely it is that your business will be granted its business licence by 6 April 2015.

Business licensing timeline



Micro-business licensing timeline



Qualifying condition

This section explains the qualifying condition that must be satisfied and the information that is required to be supplied with your business licence application.

In accordance with section 15(3)(d) of the PSIA, in order to be granted a business licence you must demonstrate to the SIA's satisfaction that your business is:

'Fit and proper' to supply security industry services in the private security industry

The SIA will determine whether you are 'fit and proper' with reference to information relating to the five elements outlined below. We must be satisfied that you are 'fit and proper' in relation to each element for the qualifying condition to be fulfilled.

You must remain 'fit and proper' for the duration of your business licence. Breach of the qualifying condition may result in withdrawal or suspension of your business licence.

I Identity

The SIA requires verification:

- a. of the identity and contact details of the applicant and all of its controlling minds;
- b. that the applicant, if an individual, and all controlling minds are over 18 years of age;
- c. of the applicant's legal entity status; and
- d. of the applicant's group organisational structure, if part of a group.

Please note

- The definition of controlling minds is on page 3.
- We will assess the information provided in the application form and undertake a variety of checks to satisfy ourselves as to the identity of your business and its controlling minds.

Supporting information to be provided

- If your business sits within a group structure you should provide a copy of the group's organisational chart.

2 Criminality

The SIA will take into consideration any relevant pending charge or conviction information regarding the applicant and any of its relevant controlling minds.

Please note:

- The SIA will undertake criminal record checks in relation to all controlling minds it considers relevant; even those individuals who have recently had their criminality assessed as part of the individual licence application process. In order to facilitate these checks, during the application assessment process each relevant controlling mind will be required to provide consent to the checks and make a declaration as to any recent criminality i.e. in the past 12 months.
- The SIA will determine which controlling minds are relevant with reference to:
 - the protection of the public;
 - the maintenance of public confidence in the SIA; and
 - the importance of upholding proper standards of conduct and competence by business licence holders.
- Access to a person's criminal record is usually restricted under the provisions of the *Rehabilitation of Offenders Act 1974*. However, as it is in the public interest to have full disclosure of an individual's criminal record in order to assess their suitability to be a controlling mind, we are exempt from this restriction and are allowed full access to criminal records, including spent convictions; other than to certain specified old and minor convictions. For more information regarding the old or minor convictions that will not appear on your criminal record please see the Disclosure and Barring Service (DBS) website or, where applicable, the Access Northern Ireland or Disclosure Scotland websites.
- The SIA will also perform open source checks (e.g. internet searches) against the business. To assist in these checks, the reporting officer must make a declaration on behalf of the business when an application is lodged; declaring any pending charges or convictions the business may have in the United Kingdom or elsewhere.

What pending charge or conviction information is relevant to the SIA?

- The SIA will review all pending charge or conviction information, but will disregard any information that is not considered relevant as to whether the business is 'fit and proper' to supply security industry services in the private security industry.
- Just because the business or any of its relevant controlling minds have a criminal record does not automatically mean that your business licence will be refused. Each case will be considered on its individual facts and merits and consideration will be given to:
 - whether the offence/s are relevant to whether the business, or any of its relevant controlling minds, are 'fit and proper';

- the actual sentence or disposal given for the offence/s; and
- how recent the offence/s are.*

* How recently an offence occurred is measured from the time since any sentence restrictions ended i.e. the day after a caution, warning, community resolution, absolute/conditional discharge, admonishment, fine or the end of a sentence or penalty, to the date we make our decision to grant or refuse your business licence.

- The types of offences we consider relevant to the business licensing regime will typically fall under legislation relating to:
 - Violent/Abusive Behaviour
 - Espionage/Terrorism;
 - Offensive weapons;
 - Firearms offences;
 - Dishonesty (Theft and Fraud);
 - Proceeds of crime/Money Laundering;
 - Abuse or neglect of children;
 - Sexual offences;
 - Drug offences;
 - Criminal damage;
 - Social security offences;
 - PSIA offences;
 - Licensing act offences;
 - Serious driving offences;
 - Companies, banking or other financial services;
 - Tax offences;
 - Insolvency;
 - Insurance;
 - Market abuse and misconduct;
 - Extortion/Blackmail;
 - Bribery and corruption;
 - Employment;
 - Health and safety;
 - Immigration;
 - Consumer protection;
 - Computer misuses;
 - Data protection;
 - Environment;
 - Equality.

Supporting information to be provided

- If any of the relevant controlling minds do not hold either a front line or non-front line individual licence, they must either apply for one or submit evidence as to why they are not licensable. If we agree that they are not licensable, we will contact the individual to arrange for the necessary identity and criminality checks to be undertaken.
- If any of the relevant controlling minds have lived or worked overseas, or served overseas in the armed forces in the last five years, for a period of six continuous months or more, or if they are from a country where official sources are unable to provide a criminal record check, please see our website for more information:
 - www.sia.homeoffice.gov.uk/overseas-checks
 - www.sia.homeoffice.gov.uk/military
 - www.sia.homeoffice.gov.uk/Pages/licensing-sources-unavailable.aspx
- If your business, or any of its relevant controlling minds, have any relevant pending charge or conviction information the SIA may contact you, or the relevant controlling minds directly, to invite you to submit mitigation while your application is being processed.

3 Financial probity

The SIA will take into consideration any relevant financial and other circumstances of the applicant and any of its controlling minds.

Please note

- The SIA will consider the following factors, and take into consideration only that information which is relevant to whether a business is 'fit and proper' to supply security industry services in the private security industry:
 - a. Whether the business holds public liability insurance.
 - b. If applicable, whether the business holds employer's liability insurance to a value of at least £5 million.
 - c. If the business is a limited company, whether the business is compliant with company law.
 - d. Any County Court judgments (CCJ's), defaults or other adverse financial information registered (such as late payments on credit accounts) in relation to the business.
 - e. Whether the business is tax compliant.
- When considering any CCJ's, defaults or other adverse financial information, the SIA will consider each case on its individual facts and merits, and consideration will be given to:
 - how recent any information about the business is;
 - the length of time since any action was taken;
 - whether any judgements, fines or awards made have been satisfied;
 - whether the business is subject to any company voluntary agreements; and
 - whether any of the controlling minds are subject to individual voluntary agreements.
- The SIA will deem your business to be tax compliant if its returns and payments are correct and up to date. We will verify your business's tax status and level of tax compliance with HMRC, and will take the following into consideration when making a determination:
 - If your business is registrable for VAT, evidence that it is VAT registered and that VAT payments have been made to the HMRC as and when they were due for at least 12 months.
 - If your business is liable for PAYE and National Insurance, evidence of your Employer Reference Number and HMRC returns showing payments made when due in respect of PAYE and National Insurance.
 - If your business submits a self-assessment, evidence of its HMRC Unique Taxpayer Reference Number.
 - If your business is required to pay corporation tax, evidence of its HMRC CT Reference Number.
 - If relevant, whether your business follows HMRC guidance ES/FS2 "Are your workers employed or self-employed for tax and National Insurance contributions" and maintains records of due diligence checks.

Supporting information to be provided

- Depending on the legal status of your business, you should submit the following supporting documentation to assist the SIA in assessing your financial probity:
 - A public liability insurance certificate.
 - An employer's liability insurance certificate.
 - A copy of your VAT registration letter.
 - A screenshot/s showing VAT payments made in the last 12 months.
 - A copy of your HMRC Registration Letter for Corporation Tax.
 - A copy of your HMRC Registration Letter for self-assessment, showing your Unique Tax Reference.
 - A screenshot of HMRC Real Time Information (RTI) electronic reference.
- You may be requested to provide additional information when your application is being processed.

4 Integrity

The SIA will take into consideration the integrity of the applicant and any of its controlling minds.

Please note:

- The SIA will assess all relevant information in considering businesses integrity. We will assess the information provided in the application form, the supporting documentation and any other information available to us from our own and external sources e.g. we may receive information from partner organisations like the police and other regulators; and we will conduct open source checks, such as internet searches, for relevant information. In cases where we receive compelling evidence of relevant criminal activity, criminal association, activity that is likely to bring the industry into disrepute or activity that indicates that the business or any of its controlling minds are not fit and proper to hold a business licence; we will take this into consideration in making our business licence decision.
- If you are aware of information that may have an impact on the SIA's decision, you should disclose this information. You will always be given an opportunity to provide mitigating information before the SIA makes its final decision. The non-disclosure of material facts is taken very seriously by the SIA as it is seen as evidence of a current lack of integrity.
- The SIA will consider the following factors, and take into consideration only that information which is relevant to whether a business is 'fit and proper' to supply security industry services in the private security industry:
 - a. Any compliance actions taken by the SIA against the business or its controlling minds, and any charge against, or convictions of the business or its controlling minds under the *Private Security Industry Act 2001*.
 - b. Any instance where the business or its controlling minds have misled the SIA or any other regulatory body.
 - c. Whether the business has contravened the requirements and standards of other authorities, including but not limited to the Department for Work and Pensions, HMRC, police forces, the National Crime Agency, the Police Scotland, the Health & Safety Executive, the Home Office (including the former UKBA), the Department for Business, Innovation and Skills, local authorities, and overseas authorities.
 - d. Whether the business, or an associated business, has previously gone into insolvency, liquidation or administration.
 - e. Whether any of its controlling minds have been an owner, director or partner concerned in the ownership or management of a business that has gone into insolvency, liquidation or administration whilst the person has been connected with that organisation.
 - f. Whether the business or any of its controlling minds have been investigated, disciplined, censured or criticised by a regulatory or professional body, court or tribunal, whether publicly or privately, in matters relating to any business with which they have been involved.
 - g. Whether any of its controlling minds have been dismissed from, or asked to resign and resigned from, employment or from a position of trust, fiduciary appointment or similar.

- h. Whether any of its controlling minds are disqualified from acting as a director.
 - i. Whether the business or any of its controlling minds have been influenced by a third party whom the SIA considers not 'fit and proper'.
 - j. Whether the business or any of its controlling minds are connected to someone who the SIA regards as not 'fit and proper', or who has criminal connections.
 - k. Whether there have been, or are currently, any significant complaints against the business.
 - l. Whether the business is compliant with UK law.
 - m. Whether the business is compliant with the *National Minimum Wage Act 1998*, where appropriate.
 - n. Whether the business has used or is using any misleading, inaccurate or inappropriate promotional or marketing information, or used any information that might undermine the integrity of the business licensing regime or the Approved Contractor scheme. This includes website statements or images.
 - o. Whether the business is able to appropriately deal with complaints about its conduct in respect of providing security industry services.
- If no relevant adverse information regarding your business' integrity is identified, or such information is identified and the SIA is satisfied with any mitigation you provide, we will consider this element satisfied.

How the SIA will determine what information is relevant

- The fact that information is obtained which calls into question whether your business is fit and proper to supply security industry services in the security industry does not automatically mean that your business licence application will be refused. Each case will be considered on its individual facts and merits, and consideration will be given to:
 - how recent any intelligence or information about the business is;
 - the length of time since any warning or enforcement action was taken;
 - whether there are any active enforcement responses or sanctions;
 - whether the business is currently under investigation by any regulatory or enforcement authority;
 - whether there are any outstanding appeals; and
 - the public interest; being:
 - ◇ the protection of the public;
 - ◇ the maintenance of public confidence in the SIA; and
 - ◇ the importance of upholding proper standards of conduct and competence by business licence holders.

Supporting information to be provided

- You are not required to submit any supporting documentation with your application to satisfy this element; however you may be requested to provide information when your application is being processed.

5 Business competency

The SIA will consider whether the applicant is competent to undertake the designated security service/s it intends to supply.

Please note:

- The SIA will decide whether a business is competent by determining whether it conforms to the relevant British Standards.
- The British Standards Institution (BSI) is the UK's national standards organisation responsible for producing and publishing all British Standards. The standards are prepared by industry experts and represent good practice in each field. Copies of the British Standards can be purchased at www.bsigroup.com.
- The relevant British Standards for the purposes of the business licensing regime are the current versions of the following BSI codes of practice:
 - BS 7499: Static site guarding and mobile patrol service – code of practice
 - BS 7872: Manned security services – cash-in-transit services (collection and delivery) – code of practice
 - BS 7960: Door supervisors – code of practice
 - BS 7984: Key holding and response services – code of practice
 - BS 8507-1: Code of practice for close protection services – Part 1: Services within the United Kingdom
 - BS 7958: Closed circuit television (CCTV) – management and operation – code of practice
 - BS 7858: Security screening of individuals employed in a security environment – code of practice. Referenced within all of the above standards except BS 7960.

Sectors applied for		Applicable standards
Manned guarding	Cash & valuables in transit	BS 7872 and BS 7858
	Close protection	BS 8507-1 and BS 7858
	Door supervision	BS 7960
	Public space surveillance (CCTV)	BS 7958 (Annex A) and BS 7858
	Security guarding	BS 7499 and BS 7858
Vehicle immobilisation		BS 7858 and see below
Key holding		BS 7984 and BS 7858

- In some circumstances an alternative British Standard to the above list may be more applicable to the security industry services provided by your business e.g. if you provide CCTV services but the licensable activity is security guarding, BS 7958 may be more appropriate than BS 7499. If you believe this may be the case for your business, please see the [SIA website](#) for instances where certification to an alternative British Standard may be permitted.

How to demonstrate conformance

- The way you are required to demonstrate conformance with the relevant British Standards depends on the size of your business. Micro-businesses and start-ups will demonstrate their conformance in a different way to other businesses. Additionally, some parent companies, agencies and subcontractors will need to demonstrate competence in a different manner if they do not deliver services directly, and are consequently unable to obtain certification to the British Standards.
- For a definition of micro-businesses and start-ups please see page 4.

All businesses, other than micro-businesses and start-ups

- Businesses (other than those carrying out vehicle immobilisation) should demonstrate conformance in one of the following ways:

- a. Holding approval under the SIA voluntary Approved Contractor Scheme, including approval for the relevant designated security services; **or**
- b. Certification to a relevant UKAS accredited sector-specific scheme that covers the relevant British Standards³; **or**
- c. UKAS accredited certification to ISO9001, incorporating the relevant British Standard/s⁴.

- **Businesses based overseas but within the EU** that wish to submit alternative evidence of conformance, such as certification to equivalent EU Standards, will be considered on a case by case basis.
- **Businesses based overseas but outside of the EU** are required to demonstrate conformance in the same way as UK based businesses.

Micro-businesses and start-ups

- Micro-Businesses and start-ups (other than those carrying out vehicle immobilisation), **including overseas based businesses**, should demonstrate conformance by:

- a. Any of the methods outlined above in relation to small, medium and large businesses; **or**
- b. A controlling mind completing the SIA e-Learning Scheme (outlined below) for each sector applied for and providing the e-Learning reference number; **and**
- c. Providing a statement confirming understanding and operation of the relevant British Standard and the PSIA; **and**
- d. For at least one director, partner or sole trader, provide either:
 - i. A CV;
 - ii. Evidence of membership of a relevant professional body; **or**
 - iii. Evidence of a relevant qualification.

³ UKAS accreditation in this instance refers to accreditation to BS EN 4501 I, incorporating the Regulator's Principles. The Regulator's Principles are available on the [SIA website](#).

⁴ UKAS accreditation in this instances refers to accreditation to BS EN 17021, incorporating code EAC35.

- If you choose to provide a CV, this should demonstrate as a minimum:
 - experience of running a business in the last five years; or
 - management experience in the last five years, including a description of the roles and responsibilities, both within and outside of the security industry; or
 - security industry experience in the last two years, including a description of the roles and responsibilities, and an outline of experience as a frontline security operative and/or in security management.
- Other supporting information may include:
 - relevant published articles, including the name of the publication in which they appeared, issue number and date; and/or
 - relevant training over and above that required for an individual licence e.g. security supervisory management course, security risk management course etc.
- In regard to demonstrating membership of a relevant professional body, the following are examples of the types of professional bodies the SIA may consider relevant:
 - The Security Institute (membership must be at graduate level (more than two years industry experience) or above. Student level and affiliates will not be accepted);
 - The International Professional Security Association (IPSA);
 - Ex-Police in Commerce (EPIC);
 - Institute of Directors; and
 - American Society for Industrial Security (ASIS).
- In regard to demonstrating qualifications, typically the qualifications will be from the National Qualifications Framework (NQF), Qualifications and Credit Framework (QCF) vocational (or work-related) qualifications, available in England, Wales and Northern Ireland (e.g. BTEC professional diploma), and the Framework for Higher Education Qualifications (FHEQ) (e.g. Foundation and Bachelor degrees) at Level 4/ 5 or above.
- The following are examples of the specific qualifications the SIA may consider relevant:
 - Foundation Degrees in Crowd Safety Management
 - Certificate or Diploma in Security Management
 - BSc (Hons) Policing and Security
 - Foundation Degree in Protective Security Management
 - MSc in Security Sector Management
 - MSc in Security and Risk Management
 - MSc in Work Based Learning Studies (Corporate Security Management) Certificate in Terrorism Studies
 - MSc in Corporate Risk and Security Management
 - BA (Hons) in Security Consultancy

Vehicle immobilisation businesses

- For those businesses applying for a business licence to carry out vehicle immobilisation in Northern Ireland, regardless of size, this can be done by:

- a. **Holding approval under the SIA voluntary Approved Contractor Scheme, including for vehicle immobilisation; or**
- b. **Certification to the relevant UKAS accredited sector-specific scheme for BS7858; and**
- c. **A statement confirming understanding of the relevant British Parking Association Code of Practice or any agreed equivalent (including confirmation of operation to that code of practice), and the Private Security Industry Act 2001.**

Parent companies, agencies and sub-contractors

- In certain circumstances, some businesses applying for a business licence may be unable to obtain certification to the British Standards because they do not supply security services directly e.g. if they only provide licensable individuals to another business, if they sub-contract all security industry services, or if they only provide security industry services via their subsidiary companies. These businesses, regardless of size, should demonstrate conformance by:

A controlling mind completing the SIA e-Learning Scheme (outlined below) for each sector applied for and providing the e-Learning reference number/s.

When to demonstrate conformance

- **Small, medium and large businesses** – you must submit evidence to demonstrate competence in each of the sectors for which you are applying for approval by outlining details of the relevant certification or approval when you make your business licence application. Information provided will then be verified by the SIA with the relevant conformity assessment body, where appropriate.
- **Micro-businesses** – you must make a declaration with your application form declaring that you understand and work to the relevant codes of practice. However, you are not required to provide evidence of certification until your first yearly return. At this time you must submit evidence of independent certification in each of the sectors for which you hold approval.
- **Start-up businesses, other than micro-businesses** – you must make a declaration with your application form declaring that you understand and work to the relevant codes of practice. However, you are not required to provide evidence of certification until your first yearly return. At this time you must submit evidence that you were operating to the relevant codes of practice within six months of your business licence being granted.
- **Parent companies, agencies and sub-contractors that cannot obtain certification** – you must make a declaration with your application form declaring that you understand and work to the relevant codes of practice. You are not required to provide evidence of certification at any point. However, in each yearly return you must submit evidence that you have retaken and passed the relevant e-Learning tests.

Obtaining approval in an additional sector

- Where a licensed business, regardless of its size, wishes to provide an additional security industry service, they must first apply for approval to have this sector added to their business licence.
- When making this application businesses, other than certain parent companies, agencies and sub-contractors, must demonstrate competence in that additional sector by:

- a. **A controlling mind completing the SIA e-Learning Scheme; and**
- b. **Providing a statement confirming understanding and operation to the relevant British Standard; and**
- c. **One of the following:**
 - i. **Certification to the relevant UKAS accredited sector-specific scheme within six months of commencing the new designated security service; or**
 - ii. **Holding approval under the voluntary Approved Contractor Scheme, including approval for the new designated security service within six months of commencing the new designated security service; or**
 - iii. **UKAS accredited certification to ISO9001 incorporating the relevant designated security service related British Standard within six months of commencing the new designated security service.**

- Parent companies, agencies and sub-contractors who are unable to obtain certification to the British Standards because they do not supply security services directly should demonstrate competence in the additional sector by:

A controlling mind completing the SIA e-Learning Scheme .

Information regarding assessment bodies

- Conformity Assessment Bodies provide assessment services to organisations against a wide range of standards. A conformity assessment body will award certification to an organisation that demonstrates that it meets the required standard.

For the purposes of business licensing, the SIA will only accept evidence of certification from a conformity assessment body that is accredited by UKAS.

- **UKAS** – the United Kingdom Accreditation Service (UKAS) is the national accreditation body recognised by government. UKAS provides the quality assurance for conformity assessment bodies and the certification schemes they deliver.

For the purposes of business licensing, UKAS accreditation must cover quality management system assessment – incorporating sector code EAC 35 and, where relevant, general requirements for bodies operating product certification systems.

For more information about how to obtain UKAS accredited certification, please see the UKAS website at www.ukas.com.

- **SIA e-Learning Scheme** – The SIA's e-learning scheme comprises a series of online courses and tests. There is a separate course and test based on each of the relevant British Standard Codes of Practice. Organisations may access the online courses via the [SIA website](#) free of charge. The online tests will be delivered via a network of independent test centres. There will be a charge to the individual to take each test.

Supporting information to be provided

- Small, medium and large businesses are not required to submit any additional supporting documentation to satisfy this element; however you may be requested to provide information when your application is being processed.
- Micro-businesses and start-ups are not required to submit any supporting documentation to satisfy this element unless you choose to provide a CV for at least one director, partner or sole trader; evidence of membership of a professional organisation or evidence of a relevant qualification. If relevant, this should be submitted with your application.

Approval conditions

This section lists the approval conditions you must comply with for the duration of your business licence.

A business licence holder must:

1. Provide a yearly return as and when it is due.
2. Notify the SIA of the following changes in advance of a change occurring, but in any event within 21 calendar days after a change has occurred:
 - a. a change in the name of the business licence holder;
 - b. the removal or addition of a controlling mind from the business licence holder;
 - c. a change in the legal status of the business licence holder;
 - d. a change in the security industry service/s of the business licence holder;
 - e. in relation to the business licence holder or any of its controlling minds, any merger, acquisition, take-over, company voluntary agreement, individual voluntary agreement, administrative order, County Court judgment, liquidation, administration, receivership, bankruptcy, disqualification as a director, or debt relief restriction order;
 - f. in relation to the business licence holder and any of its controlling minds, any pending charges or convictions for a criminal offence;
 - g. a change to the registered address, trading address or correspondence address of the business licence holder; or
 - h. a change in address of any controlling mind of the business licence holder.
3. Keep appropriate records, including, but not limited to, details of sites where security industry services are carried out, customer lists, records of training and employment records.
4. Provide the SIA with access, in accordance with section 19 of the PSIA, to its staff, records and premises for assessment, compliance and enforcement purposes.
5. Use all reasonable steps to confirm that individuals who are licensable under section 3(2) of the PSIA, and provided by the business:
 - a. have had their identity and right to work verified;
 - b. hold a valid SIA individual licence; and
 - c. are complying with the terms of that individual licence.

To assist compliance with this condition, we strongly recommend that you use the online tools we make available to create a record of the individuals you use to supply security industry services.

In addition to these approval conditions, the SIA may attach additional specific conditions to any business licence, as deemed necessary. For guidance regarding when additional conditions may be imposed see page 36.

Breach of any of the approval conditions may result in withdrawal or suspension of your licence.

Breach of an approval condition will be a criminal offence from 6 April 2015.

Additional conditions

In addition to the approval conditions on page 34, the SIA has the power to modify a business licence by attaching additional specific conditions to the licence. These additional conditions may be imposed at the time the business licence is granted or during the licence period, and must be complied with for the duration of the licence.

Any additional condition imposed on your business licence is an approval condition of that licence. Consequently, breach of an additional conditions imposed may result in withdrawal or suspension of your licence.

Breach of an additional condition will be a criminal offence from 6 April 2015.

When the SIA may impose an additional condition

The SIA may choose to impose additional conditions on a business licence if we consider it necessary. For example, we may choose to impose additional conditions on a business licence where:

- there is a risk that the scope of the business licence could be misinterpreted;
- a business is currently meeting the business licence conditions but there is a risk that they may fall short of the conditions in the future;
- a business is no longer meeting the business licence conditions;
- there are concerns about the integrity of current or previous directors; or
- a valid complaint has been made regarding the business.

Additional conditions may include, for example:

- restrictions on the number of licensable individuals that can be provided without written authorisation from the SIA.
- restrictions on the activity of directors e.g. a business licence may be granted on the condition that certain individuals do not act as directors.
- clarification of the scope of an approval e.g. a business licence may be restricted to certain subsidiaries of a parent company.
- a requirement that a business agrees to regular visits by the SIA, or others acting on their behalf, to check that they are still meeting their requirements.
- a requirement that a specific action be undertaken by a certain date e.g. payment of a subscription fee within two weeks.

Notification process

If we judge it necessary to impose additional conditions on your business licence, we will write to you to inform you of this, provide the basis for our decision, and invite you to provide any mitigating information. You will then have 21 calendar days to provide a response to our communication.

Your response may include any factual errors in our assessment. We will consider your submissions in reaching our final decision.

If you do not send in a response within the 21 days, the decision to impose additional conditions on your business licence will take effect 21 calendar days after the date of the communication. When the decision to impose the additional conditions takes effect, and is added to the public register, you will again have a further 21 calendar days in which to exercise a right of appeal to a Magistrates or Sheriff Court.

If you do send in a response within 21 days we will give it due consideration and we will notify you of our final decision. If we decide it is still necessary to impose additional conditions, you will then have 21 calendar days from the date of this notification in which to exercise a right of appeal to a Magistrates or Sheriff Court.

If you decide not to exercise your right to appeal, you are not obligated to accept the business licence. Section 15(2)(d) of the PSIA allows businesses to refuse a business licence being offered with additional conditions attached. However, if you refuse the business licence you will be unable to supply security industry services.

Appeal process

If you appeal against the SIA's decision to grant your business licence subject to additional conditions, you will hold a business licence, with the additional conditions attached, during the appeal to the Magistrates Court or Sheriff Court.

If you appeal against the SIA's decision to impose additional conditions on a business licence you already hold, your business licence, without the additional conditions attached, will remain valid during the appeal to the Magistrates Court or Sheriff Court.

If you appeal against the SIA's decision to renew your business licence subject to additional conditions, you will continue to hold your original business licence, without the additional conditions attached, until the date it expires. If your original business licence expires while your appeal is pending, you will hold a business licence, with the additional conditions attached, from the day after your original business licence expired for the remaining duration of the appeal to the Magistrates Court or Sheriff Court.

For further information regarding the appeals process please see page 47.

Varying an additional condition

If you would like the SIA to consider varying an additional condition that has been imposed on your licence outside of the appeal process, please contact the SIA directly to discuss the matter.

Maintaining your business licence

Licence period

A business licence lasts for five years, subject to:

- payment of an annual subscription fee;
- provision of a yearly return; and
- continued compliance with all conditions of the business licence.

Subscription fees

You are required to pay an annual subscription fee to retain your business licence.

This fee is calculated annually by adding the relevant fixed and variable subscription fee amounts below:

Businesses	Fixed Subscription Fee	Variable Subscription Fee (Per Head)
Micro-Businesses (0-10 licensable individuals)	<i>Details to follow</i>	<i>Details to follow</i>
Small Businesses (11-25 licensable individuals)		
Medium Businesses (26-250 licensable individuals)		
Large Businesses (251+ licensable individuals)		

You will be able to obtain an estimate of your annual subscription fee on the [SIA website](#) using our subscription fee calculator from 7 April 2014.

Calculating your variable subscription fee

Medium and large businesses are required to pay a variable subscription fee as a component of their annual subscription fee.

Your variable subscription fee is calculated by multiplying your annual average head count, less 25, by the per head fee listed above.

$$\text{Variable Subscription Fee} = (\text{annual average head count} - 25) \times \text{relevant per head fee}$$

In order to calculate your annual average head count, you first need to calculate your head count for each month in the previous calendar year; being 12 months from the month prior to the month you are applying for your business licence e.g. if you apply for your business licence in June 2014, you will need to calculate your head count for each month from June 2013 to May 2014.

Head Count = the total number of licensable individuals who carry out licensable conduct on behalf of or under the direction of your business

This includes individuals who were provided on a full time, part time, casual and one off basis, and should represent the total number of licensable individuals you provided across all sectors of your business, regardless of the number of hours worked by those individuals. Your head count should also include any licensable directors, partners and managers.

For most businesses, the amount of their variable subscription fee will change each year as the number of licensable individuals they provide fluctuates.

If you do not already do so, it is important that you start collecting data relating to the number of licensable individuals you provide each month. On your application form you will need to provide us with your annual average head count from the previous year, and on your yearly return you will need to provide us with a monthly breakdown of how you calculated your annual average head count.

Annual Average Head Count = each monthly head count added together and divided by 12

The SIA is aware that some businesses may not have 12 months data at the time they apply for their business licence. If this is the case, you will need to provide us with an average head count figure based on the data you have available i.e. if you only have 8 months data, then you will need to add these figures together and divide them by 8 to obtain your average head count figure. If you do not have any data, which will typically be the case with start-up businesses, you will need to provide us with an estimate of your average head count figure for the coming 12 months. If you are providing an average head count based on less than 12 months data or estimated data this must be noted on your application form.

Due date

When your first annual subscription fee payment is due depends on when you apply for your business licence. If the SIA receives your business licence application:

- on or before 1 October 2014 – your first annual subscription fee payment will be due on the one year anniversary of the date you are granted approval for your business licence.
- after 1 October 2014 but before 6 April 2015 – your first annual subscription fee payment will be due on 6 April 2015, or at the time you are granted approval for your business licence, whichever is later.
- on or after 6 April 2015 – your first annual subscription fee will be due at the time you are granted approval for your business licence.

Your subsequent annual subscription fee payments will be due each year on the anniversary of the date you were granted approval for your business licence.

Payment will be taken online using a variety of payment methods, or direct to the SIA by arrangement.

Failure to pay your subscription fee by its due date may result in withdrawal of your business licence.

You can cancel your business licence at any time; however no part of any subscription fee paid is refundable.

Yearly return

Licensed businesses are required to supply a yearly return evidencing their continued compliance with the business licensing regime.

The yearly return should be submitted electronically via the SIA's online portal, together with any supporting documentation required, and should consist of:

- any updates to the information provided with your original application or previous yearly returns;
- a declaration as to continued compliance with all conditions of your business licence; and
- any additional information requested by the SIA to support the assessment of your business licence. For example, micro-businesses and start-up businesses will be required to submit evidence of independent certification in each of the sectors for which they hold approval at their first yearly return.

The SIA will review your business licence based on this return, and may choose to inspect certain businesses based on the outcome of that review.

Due date

When your yearly return is due depends on when you apply for your business licence. If you lodge your business licence application:

- on or before 1 October 2014 – your first yearly return will be due two weeks prior to your first annual subscription fee payment.
- after 1 October 2014 – your first yearly return will be due two weeks prior to your second annual subscription fee payment.

Your subsequent yearly returns will be due on the one year anniversary of your first yearly return.

You will be able to upload your yearly return onto the SIA's online portal within two weeks of its due date.

Failure to provide a yearly return by its due date may result in withdrawal of your business licence.

Renewing your business licence

After five years your business licence will expire and it will be necessary to renew your business licence.

As it will be a criminal offence for a regulated business to supply security industry services without a business licence, it is important that you renew your business licence before its expiry.

In order to ensure that your renewal application is processed and awarded in time, we recommend that you make a renewal application at least four months before its expiry.

Renewal applications can be made online via the SIA's online portal. Renewing your business licence will require you to confirm pre-populated information, attach any requested supporting documentation, and make a declaration that you will continue to comply with all conditions associated with your business licence.

Renewal applications will be subject to a full assessment by the SIA. If the SIA decides not to renew your business licence you are entitled to appeal this decision and will hold a business licence during the appeal period to the Magistrates Court or Sheriff Court.

There is no application fee for renewing your business licence.

Refusing a business licence

The SIA will refuse to grant a business licence if an applicant fails to demonstrate that it is 'fit and proper' to supply security industry services in the private security industry.

If we judge it necessary to refuse your business licence, we will write to you notifying you that we are *minded to refuse* your application, providing the basis for our decision, and inviting you to supply us with further information, if appropriate.

You will then have 21 calendar days from the date of our communication to provide a response. If we do not receive a response from you within 21 days, your application will be refused. If you do send in a response within 21 days we will give it due consideration, and we will write to you to inform you of our final decision.

If we decide that it is still necessary to refuse your business licence, you will then have 21 calendar days from the date you receive our *final refusal* notification in which to exercise a right of appeal to a Magistrates or Sheriff Court. You will not hold a business licence during this appeal period.

It is important to ensure any response you provide to us is sent in good time and always within 21 days. Once a final decision is made the SIA has no power to revisit that decision, no matter how good the mitigation or the obvious factual error, without the direction of a Court. If you are having genuine difficulty submitting your evidence within 21 days you should write to us (within the 21 days) to let us know.

Factual errors

If we write to you advising that we are *minded to refuse* your business licence, you will be invited to submit details of any factual error we may have made within 21 days.

Factual errors may include, for example:

- we have incorrectly identified your business or its controlling minds;
- our information on the criminality of your business or its controlling minds is incorrect; or
- your certification or qualifications are valid for the security industry service in which you have applied for a business licence but we have said they are not.

Mitigation

If we write to you advising that we are *minded to refuse* your business licence application, you will be invited to provide us with any mitigation you would like considered in your case. We will consider your submission in reaching our decision.

In considering your mitigation we may also consider information from other sources which suggest relevant evidence regarding identity, criminality, financial probity, integrity and business competence, or which may contradict the evidence you have provided in support of your application.

The number of documents you supply in support of your application will not necessarily add weight to your case; it is the nature and content of the mitigation which is considered. In giving due consideration to any mitigation you supply, we will give more weight to mitigation if it is from an independent, verifiable and objective source with no vested interest in the approval decision. What we mean by 'no vested interest' is that information from people of standing in the community will be more persuasive than information from your family, friends, employees or colleagues.

Mitigation may include, for example:

- You can demonstrate that you have taken action to correct the problems we have identified.
- You can demonstrate that the problems we have identified are uncharacteristic of your business and being granted a business licence is in the best interests of stakeholders.
- You can provide some other information to challenge our assessment of whether your business meets our qualifying condition.

Withdrawing or suspending a business licence

Withdrawing a business licence

The SIA may choose to withdraw a business licence where it considers that a business is no longer 'fit and proper' to supply security industry services in the private security industry.

A business licence may be withdrawn in the following circumstances:

1. Where a business does not meet a:
 - a. Qualifying condition;
 - b. Approval condition; or
 - c. Additional condition.
2. Where a business breaches their application declaration.
3. Non-payment of fees as and when they are due.
4. Failure to submit a yearly return as and when it is due.
5. Non-compliance with the *Private Security Industry Act 2001*.
6. Where it is in the public interest to do so.

The decision to withdraw a business licence will typically only be made in the case of consistent minor breaches or a serious breach of the business licence conditions or the *Private Security Industry Act 2001*. When making a decision the SIA will take into account all relevant factors, including:

- the risks associated with your business continuing to hold a business licence;
- the actions you have taken to correct the problems identified; and
- your general history of compliance with SIA requirements.

If your business licence has been withdrawn you are entitled to appeal this decision.

Withdrawal process

If we judge it necessary to withdraw your business licence, we will write to you to inform you of this, provide the basis for our decision, and invite you to supply further information. You will then have 21 calendar days to provide a response to our communication.

Your response may include any factual errors in our assessment and we will consider your submissions in reaching our final decision. It is important to ensure any response is sent in good time and always within 21 days including requests for extensions due to difficulty in obtaining evidence. Once a decision is made the SIA has no power to revisit that decision without the direction of a Court, no matter how good the mitigation or obvious factual error.

If you do not send in a response within the 21 days, the decision to withdraw your business licence will take effect 21 calendar days after the date of the communication. However, when the decision to withdraw your business licence takes effect you will have a further 21 calendar days in which to exercise a right of appeal to a Magistrates or Sheriff Court. During the appeal to the Magistrates Court or Sheriff Court you will continue to hold your business licence and can continue to supply security industry services.

If you send in a response within 21 days we will give it due consideration and we will write to you to inform you of our final decision. If we decide it is still necessary to withdraw your business licence, you will then have 21 calendar days from the date of this notification in which to exercise a right of appeal to a Magistrates or Sheriff Court. You will continue to hold your business licence during the appeal to the Magistrates Court or Sheriff Court.

Suspending a business licence

The PSIA provides the SIA with the power to modify a business licence. In the most serious cases, the SIA may choose to modify a business licence by immediately suspending the licence. This means that you cannot legally continue to provide security industry services from the day your business licence is suspended.

We will only suspend a business licence when we are reasonably satisfied that a clear threat to public safety could exist if we did not modify the business licence in this way. This usually means that a serious offence has allegedly taken place, or because it is in the public interest to do so. For example, the SIA may choose to suspend a business licence when:

- there is evidence that the business or any of its controlling minds are under criminal investigation or their SIA individual licence(s) have been suspended;
- there is evidence of the business and/or any of its controlling minds being linked to serious organised crime; or
- the private security industry is brought into serious disrepute by the activities of a licensed business.

If your business licence has been suspended you are able to appeal this decision.

Suspension is an interim intervention. If the SIA suspends a business licence it will simultaneously start the process of withdrawing the business licence on a permanent basis.

Suspension process

If we judge it necessary to immediately suspend your business licence, we will write to you to inform you of this. You will not be invited to supply mitigating information. The suspension will take effect on the day you are notified and you will not be able to continue to supply security industry service from that day.

You will have 21 calendar days in which to exercise a right of appeal to a Magistrates or Sheriff Court. For further information regarding the appeal process please see page 47.

Impact of withdrawal or suspension

Businesses that have had their business licence withdrawn or suspended will have this noted on the public register which will be available online on the [SIA website](#).

For information regarding the impact of refusal, withdrawal or suspension of a business licence on an ACS business please see the ACS Business Licensing Guide on the [SIA website](#).

If you have had your business licence withdrawn or suspended you are permitted to re-apply for a business licence immediately. However, any such application will be assessed against the qualifying condition, which includes consideration of any compliance action previously taken by the SIA against the business or any of its controlling minds, and as a result such an application is unlikely to be successful.

Appealing an SIA decision

There is a right of appeal against any decision of the SIA to:

- refuse to grant a business licence;
- refuse to renew a business licence;
- attach additional conditions to a business licence;
- withdraw a business licence; or
- suspend a business licence.

Any communication advising you of a decision that the SIA makes will explain the process for making an appeal.

Unless your business licence has been suspended, in the first instance you will always be given the opportunity to provide a written response to the SIA; which will be considered when the SIA makes its final decision.

Following this, formal appeals can be made to:

- the Magistrates Court (or the Sheriff in Scotland) within 21 calendar days from the date you are advised of the SIA's final decision; and
- where the Magistrates Court (or the Sheriff in Scotland) makes a decision, the SIA or the applicant may appeal that decision to the Crown Court (or the Sheriff Principal in Scotland).

Other than in relation to appeals regarding the decision to refuse to grant a business licence or suspend a business licence, you will hold a business licence during the duration of the appeal process to the Magistrates Court (or Sheriff Court in Scotland). However, you will not hold a business licence during the duration of the appeal process if you decide to appeal this decision to the Crown Court (or the Sheriff Principal in Scotland).

Please note that you may be charged a fee by the Court to lodge an appeal. Additionally, if you lose that appeal, you may be required by the Court to pay the SIA's costs associated with the appeal process.

The consequences of operating without a business licence

Intervention and prosecution

For regulation to be effective and trusted, it is vital that appropriate action is taken against those who no longer meet the business licence conditions, or who break the law. The SIA ensures that its compliance and enforcement measures are proportionate, robust and effective in order to protect the public, as well as legitimate businesses and individuals.

The SIA expects compliance with the PSIA at all times. If we suspect an offence has been committed, prosecution is not our preferred option; we aim to encourage compliance with the PSIA in the first instance and will do all we can to help people meet their obligations. However, in appropriate cases of non-compliance we have the capability of conducting a formal investigation to support the criminal prosecution of offenders.

The PSIA provides the SIA with the ability to:

- Refuse a business licence;
- Impose additional conditions on a business licence;
- Withdraw a business licence;
- Suspend a business licence;
- Conduct formal investigations;
- Enter premises owned or occupied by any person appearing to be a regulated person, including regulated businesses, and undertake an inspection;
- Request documents or information from any person appearing to be a regulated person, including regulated businesses;
- Publish its regulatory decisions in the public interest; and
- Exchange information with other enforcement agencies.

The SIA works with its enforcement partners, including the police, local authorities, the Home Office (including the former UKBA) and HM Revenue and Customs, amongst others.

For more information regarding the SIA's enforcement powers, and in particular its power of entry and inspection, please see our enforcement policy on the [SIA website](#).

Criminal offences

From 6 April 2015, it will be a criminal offence under sections 17(2) and (3) of the PSIA for a person to:

- provide security industry services unless they are approved under section 15 in respect to those services; or
- contravene any of the conditions of their approval in respect to any security industry services they are approved to provide under section 15.

Practically, this means that from 6 April 2015 it will be a criminal offence for regulated businesses to provide licensable individuals to supply security industry services:

- a. without a business licence; or
- b. in breach of the approval conditions of that business licence.

The maximum penalty for these offences will be:

- summary conviction at a Magistrates Court (or the Sheriff Court in Scotland) with a maximum penalty of a fine up to £5,000; or
- trial on indictment at a Crown Court (or the Sheriff Principal in Scotland) with a maximum penalty of an unlimited fine.

Additionally, if either of these offences are committed by a regulated business, the controlling minds of that business may also be individually liable if it can be shown that the offence was committed with the consent, connivance or attributable negligence of that controlling mind.

For information regarding other offences under the PSIA please see the SIA's enforcement policy on the [SIA website](#).

Administrative sanctions

While breach of certain approval conditions will be a criminal offence, this does not automatically mean that the SIA will seek a criminal prosecution as a result of a breach. The SIA has a range of options for dealing with non-compliance that fall short of criminal proceedings but can be effective in quickly securing compliance and in avoiding costly formal proceedings.

The administrative sanctions available to the SIA are:

- **SIA Verbal Warnings** – These are recorded and may be taken into account in future enforcement decisions.
- **SIA Written Warnings** – Issued to a business where an offence under the *Private Security Industry Act 2001* has been detected. A written warning may be taken into account in future enforcement decisions.
- **Improvement Notices** – These are non-statutory sanctions used when an offence has been committed under the *Private Security Industry Act 2001*. It sets out the improvements required and is discharged when we are satisfied that the improvements have been made.

While these responses do not result in criminal convictions, they can have an effect on your business. For example, if you have been given an improvement notice for non-compliance this may affect your business's inclusion in the voluntary Approved Contractor Scheme.

How the SIA will decide what enforcement action to take

The SIA aims to be consistent in the application of its sanctions. If we find a licensed business is non-compliant before deciding what action to take the following factors will, where appropriate, be taken into consideration:

- the time elapsed since the requirement for business licensing was introduced;
- the progress a business has made towards getting or renewing their business licence e.g. obtaining the relevant evidence of conformance, submitting a business licence application etc.
- whether a business already holds a business licence for other sectors;
- the current business licence application approval times;
- the availability of assessments to achieve the necessary certification to demonstrate conformance;
- previous encounters with or warnings given by the SIA or another agency;
- whether there are circumstances in which the government has indicated a firm intention to exempt or exclude businesses of a particular nature; and
- any other factors that we think are relevant in the circumstances.

The weight given to each of these factors will be dependent on the circumstances of the particular case.

For more information regarding the SIA's enforcement policy please see the [SIA website](#).

Contact us

We are committed to providing a professional, responsive, and flexible service to our customers.

We also welcome constructive comments and suggestions as these will help us to refine and improve our services.

Please write to:

Security Industry Authority

PO Box 49768

London

WC1V 6WY

Website: www.sia.homeoffice.gov.uk

 info@sia.homeoffice.gov.uk

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