

Program on Code of Ethics (Virtual)

Back to Basics for Code of Ethics: “Direct/Indirect Solicitation of Work, Advertisements, Use of Letterheads, Visiting Cards, Newsletters, Website, Social Media Use by CA Firms & Members in Practice”)-

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Coverage

- Code of Ethics--Importance of Code of Ethics--Development
- Administration of Code of Ethics --The Chartered Accountants, The Cost And Works Accountants And The Company Secretaries (Amendment) Act, 2022—Amendments Brought In Disciplinary Mechanism
- Contravention Punishable– First Schedule Part I and Part IV / Section 7, Sections 21 and 22, Second Schedule Part II/ Fundamental Principle(Professional Behavior)
- Clause (6) Of Part I Of The First Schedule/ Clause (7) Of Part I Of The First Schedule (Text)
- Clause (6) Of Part I Of The First Schedule/ Clause (7) Of Part I Of The First Schedule (Explanations)
- Clarifications from ESB
- Cases --Clauses (6) and (7)

Small Introduction

- **What is Code of Ethics and Why it is necessary-**
- Ethics means moral values in the human conduct. Ethics is something which comes from within, of an individual. Ethics is nothing but accountability to one's conscience.
- The over-riding motto always needs to be the 'pride of service in preference to personal gain'.
- Ethical values and legal principles are closely related, but ethical obligations typically exceed the legal duties.
- The business environment has been changing both at the national and international levels;
- The society in general, and governments, clients, taxing authorities, employees, investors, the business and financial community in particular, have reposed tremendous trust in their services.

Small Introduction

- A self imposed Code of Ethics has a great deal of practical value because it proclaims to the public that the members of the profession will discharge their duties and responsibilities, having regard to the “public interest”.
- This gives an assurance to the public that in the event of a member straying away from the path of the duty, he would be suitably dealt with by the professional body.
- Various Regulatory Authorities—ICAI, RBI, SEBI, NFRA-(Safeguard when compliance with Code Of Ethics)
- **DEVELOPMENT OF CODE OF ETHICS**
- The first edition of the Code of Ethics, (which was at that time called Code of Conduct), in 1963. Since then, the Code has been constantly updated from time to time so that it is kept as most relevant to the profession after taking into account the expectations of the Stakeholders and also the aspect of Public interest.

Code of Ethics

- ICAI being member of International Federation of Accountants (IFAC) has considered the Ethics standards issued by International Ethics Standards Board for Accountants (IESBA) while framing Code of Ethics for CAs.
- **ICAI Code of Ethics, 2019 issued on as a Guideline of the Council. It is based on International Ethics Standards Board for Accountants (IESBA) Code of Ethics, 2018 edition.**
- It has come into effect from 1st July, 2020.
- **Guideline by the Institute— Contravention Punishable**
- ICAI Code of Ethics , 2019 has 3 Volumes.
 - Volume 1—Principle based Conceptual Framework
 - Volume 2—Rule Based
 - Volume 3—Case Law

Professional Behaviour as a Fundamental Principle

- A professional accountant is required to comply with the following fundamental principles:
- **Integrity** – Being straightforward and honest in all professional relationships.
- **Objectivity** – Not allow bias, conflict of interest or undue influence of others to override professional judgments
- **Professional Competence and Due Care** – Maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques
- **Confidentiality** – The confidentiality of information acquired - should not disclose any such information to third parties without proper and specific authority unless there is a legal or professional right or duty to disclose. Confidential information acquired as a result of professional and employment relationships should not be used for the personal advantage of the professional accountant or third parties
- **Professional Behaviour** – Should comply with relevant laws and regulations and should avoid any action that discredits the profession. (Points--Third Party Test, No Exaggerated Claims of services, No Comparisons, Follow Advertisement Guidelines)

DC Mechanism

- Disciplinary Directorate
- Director Discipline—
- First Schedule and Second Schedule
- Board of Discipline- Old Provisions--Composition/ Summary Disposal Procedure/ Process/Punishments--Reprimand/Fine up to Rs 1 Lac/ 3 Months removal of name from Register (Amendment Act enhanced punishments)
- Disciplinary Committee-
- Appellate Tribunal
- Complaint/Information—Suo-Moto(Newspaper Advt.)/
Anonymous Information not entertained
- THE CHARTERED ACCOUNTANTS, THE COST AND WORKS ACCOUNTANTS AND THE COMPANY SECRETARIES (AMENDMENT)ACT, 2022 –Many amendments in respect of Disciplinary Mechanism

Important Sections of the Act

- **Section 7 : Practising Member is prohibited to use designation(s) other than 'Chartered Accountant'**
- Every member of the Institute in practice shall, and any other member may, use the designation of a chartered accountant and no member using such designation shall use any other description, whether in addition thereto or in substitution therefor:
- Provided that nothing contained in this Section shall be deemed to prohibit any such person from adding any other description or letters to his name, if entitled thereto, to indicate membership of such other Institute of accountancy, whether in India or elsewhere, as may be recognised in this behalf by the Council, or any other qualification that he may possess, or to prohibit a firm, all the partners of which are members of the Institute and in practice, from being known by its firm name as Chartered Accountants.
- **Members being Directors in Companies, members of Political parties or CA Cells in the political parties , holding different positions in clubs or other organizations not permitted to mention these positions as they would be violative of Section 7 of the Act**ICAI Diploma can be mentioned on card; not certificate course.
- **Descriptions like ' President of ----- Club' etc. 'Member of Parliament', 'Municipal Councilor' should not be used on Professional stationery, along with words Chartered Accountant--Adjectives like 'ITAT lawyer', 'Finance Consultant' Income-tax Consultant, Cost Accountant, Company Secretary, Cost Consultant or a Management Consultant., "Corporate Lawyer, CPA(Certified Public Accountant) etc. should not be mentioned on Cards/Letterheads.**
- **Permissible -"Insolvency Professional", "Registered Valuer"**
Mentioning qualifications of Accounting Institutes which have MRA/MOU with ICAI permitted.

Important Sections of the Act

- **Section 21 : Procedure in Inquiries for Disciplinary Matters relating to misconduct of the members of the Institute**

The Council shall, by notification, establish a Disciplinary Directorate headed by an officer of the Institute designated as Director (Discipline) and such other employees for making investigations in respect of any information or complaint received by it.

- **Section 22 : Conduct of the members in any other circumstances**

For the purposes of this Act, the expression “professional or other misconduct” shall be deemed to include any act or omission provided in any of the Schedules, but nothing in this Section shall be construed to limit or abridge in any way the power conferred or duty cast on the Director (Discipline) under sub-section (1) of Section 21 to inquire into the conduct of any member of the Institute under any other circumstances.

Professional/ Other Misconduct

- **Part – II of The Second Schedule**

Clause (1): A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he **contravenes** any of the provisions of this Act or the regulations made thereunder or any guidelines issued by the Council
- **Part – IV of The First Schedule**

Clause (2) : A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, if he in the opinion of the Council, **brings disrepute** to the profession or the Institute as a result of his action whether or not related to his professional work.

The Council has been empowered to opine on any action of a member which brings the Institute or profession in disrepute as misconduct.;

Clause (6) &(7) Solicitations, Advertisements

- **Part – I of The First Schedule**

- Chartered Accountant in practice shall be deemed to be guilty of professional misconduct, if he:-

Clause (6): solicits clients or professional work **either directly or indirectly** by circular, advertisement, personal communication or interview or by any other means;

Provided that nothing herein contained shall be construed as preventing or prohibiting —

- (i) any chartered accountant from applying or requesting for or inviting or securing professional work from another chartered accountant in practice;
- (ii) a member from responding to tenders or enquiries issued by various users of professional services or organizations from time to time and securing professional work as a consequence;

The members should not adopt any indirect methods to advertise their professional practice with a view to gain publicity and thereby solicit clients or professional work. Such a restraint must be practiced so that members may maintain their independence of judgment and may be able to command the respect of their prospective clients.

Clause (6) &(7) Solicitations, Advertisements

The work will follow due to the respect that the Member commands for his professional talent, and skill and by the confidence he is able to inspire by his reputation. Generally all forms of canvassing on that account are regarded unethical and are prohibited.

Professional work can only be obtained by a member gradually building confidence in his ability and integrity. The service rendered by an accountant is of a personal and intimate nature and its value can be appraised only by personal contact and experience.

Clause (6) &(7) Solicitations, Advertisements

- **Part – I of The First Schedule**
- **Clause (7): Advertisement of Professional and Other Achievements**

A Chartered Accountant in practice shall be deemed to be guilty of professional misconduct, if he advertises his **professional attainments or services**, or uses any **designation or expressions other than chartered accountant** on professional documents, visiting cards, letter heads or sign boards, unless it be a degree of a University established by law in India or recognised by the Central Government or a title indicating membership of the Institute of Chartered Accountants of India or of any other institution that has been recognised by the Central Government or may be recognised by the Council;

Provided that a member in practice may advertise through a **write up**, setting out the services provided by him or his firm and particulars of his firm subject to such guidelines as may be issued by the Council;
- **Advertisement Guidelines, 2008.**

“**write up**” means the writing of particulars according to the information given in the Guidelines setting out services rendered by the Members or firms and any writing or display of the particulars of the Member(s) in Practice or of firm(s) issued, circulated or published by way of print or electronic mode or otherwise including in newspapers, journals, magazines and websites (in Push as well in Pull mode) in accordance with the Guidelines

Write up --To be presented in a manner to maintain the profession’s good reputation, dignity and its ability to serve the public interest.

Write Up

- It shall be honest and truthful. Write ups can include Photographs, Services provided, No. of partners/Employees . It should not be claiming superiority , not be indecent, sensational, should not contain testimonials or endorsements, should not include the names of the clients
- There shall be no exaggerated claims for the services offered by the member or the Firm, or the qualifications or experience of the member or any of the partners or any other person associated with the Firm.
- The write-up should not be of a nature that may bring the profession into disrepute
- The write-up should not contain testimonials or endorsements concerning Member(s) or names of clients (both the past and present) or the fees charged
- It must not be violative of any provisions of Chartered Accountants Act, 1949, Chartered Accountants Regulations, 1988, or Code of Ethics
- The write-up should not be of font size exceeding 14.
- The write-up should not contain any information about achievements /awards (except the awards given by the Central or State Governments or Regulatory bodies) or any other position held , or any accreditations granted by any organisation.
- Monogram of any kind or use of any kind of catch words is not permissible.
- The membership no./FRN (as may be applicable) is mandatory to be mentioned in the write-up.
- The Institute of Chartered Accountants of India may issue directive for removal or withdrawal of the whole write-up or of any part(s) thereof

Important Guidelines/ Announcements- - Solicitations, Advertisements

- **Important Guidelines/ Announcements**
- Advertisement Guidelines 2008 available on ICAI website.
- Website Guidelines issued by Council.
- Restriction on manner of entries in Directories.
- Guidelines for use of CA Logo.
- Guidelines on Advertisement by Write ups 14th May, 2008
- Council Guidelines for responding to Tenders issued on 7th April, 2016
- Announcement on use of designation other than 'Chartered Accountant'
- Announcement reg. abstaining from sharing of Firm details intended for comparison of Firms.
- Announcement on Advertising by members in practice engaged in Coaching/Teaching activities in 2017.
- **All the above Guidelines/ Announcements have been included in Volume-II now**

Solicitations, Advertisements

- Website of the CA Firms / C A in practice
- The Chartered Accountants and/or Chartered Accountants' Firms would be free to create their own Website
- No standard format of the Website is being given
- Websites are run on a "pull" model and not a "push" model of the technology. No circular by virtue of which they solicit people to visit their Website
- Permitted to mention Website address on professional stationery and email.
- Year of Establishment, Details of Partners/Employees , Job vacancies, Chat Room, Bulletin Board, Professional updates, Links to certain websites
- Services Rendered, Area of Experience, Nature of assignments handled on "pull" request,
- Names of clients and fee charged cannot be given(Except when required by Regulator)
- Secrecy of Clients, it does not amount to soliciting client or professional work. No violation of Code of Ethics/Act/Regulations/
- The Firm can provide link of its page on Social Networking site. However, the members should not solicit people to visit or like their respective page(s) on such social Networking site
- No Advertisement in the nature of banner or any other nature will be permitted on the Website

Solicitations, Advertisements

Advertisement and Notes in the press-

Not advertise in a manner appearing to solicit clients/work—Not to even small group of possible clients—No personal canvassing or canvassing for clients of previous employer—Exceptions are—

(i) A member may request another C A in practice for professional work.

(ii) A member may advertise changes in partnerships or dissolution of a firm, or of any change in the address of practice and telephone numbers(Bare Fact/Areaa of Distribution, No. Of insertions)

(iii) A member is permitted to issue a classified advertisement in the Journal/Newsletter of the Institute (Partnership/Assignment/Employment) with stating accountant's name, address, telephone, fax number, E-mail address and address(es) of social Networking sites of members and factual position of experience

Application for empanelment for allotment of audit and other professional work— No Roving Enquiries--

The government departments, government Companies/corporations, courts, co-operative societies and banks and other similar institutions prepare panels . it would not be proper for the Chartered Accountant to make roving enquiries by applying to any such organization for having his name included in any such panel.

- Recommendation Letters should not be obtained and submitted for securing work.
- Using undue influence to get the work is prohibited.

Solicitations, Advertisements

Practice as Advocate

Members of the Institute in practice who are otherwise eligible may practise as advocates subject to the permission of the Bar Council but they should not use the designation 'Chartered Accountant' and 'Advocate' simultaneously.

Practice as Company Secretary/Cost Management Accountant

Members of the Institute in practice who are otherwise eligible may also practice as Company Secretaries and/or Cost Management Accountants. Such members shall, however, not use designation/s of the aforesaid Institute/s simultaneously with the designation "Chartered Accountant". It is clarified that in the event of the permission being granted to a member in practice to also hold COP of sister Institute(s)/Bar Council, such a member be treated as a member in full-time practice.

Mention of Firm name except on Professional Documents

An individual member may use the prefix "CA" with his name. It is not proper for a Firm of Chartered Accountants to use the designation 'Chartered Accountant' except on professional documents, visiting cards, letter heads or sign boards and under the circumstances clarified under Issue of Greeting Cards or Invitations below.

Issue of Greeting Cards or Invitations

- The designation "Chartered Accountant" as well as the name of the firm may be used in greeting cards, invitations for marriages and religious ceremonies and any invitations for opening or inauguration of office of the members, change in office premises and change in telephone numbers, provided that such greeting cards or invitations etc. are sent only to clients, relatives and friends of the members concerned.

Solicitations, Advertisements

Notice in the Press relating to the Success in an Examination

Notice in the press relating to the success in an examination of an individual candidate, should not contain any element of undesirable publicity either in relation to the articled/audit assistant or an employee or the member or the firm with whom he was served.

Reports and Certificates

Members should use letterhead of their Firm for issuing reports and certificates. The extent and manner of publication of certificates are limited to what is necessary to enable the report or certificate to serve its proper purpose.

- **Acceptance of Original Work of Client introduced by another Member :**
- A member should not accept the original professional work emanating from a client introduced to him by another member. If any professional work of such client comes to him directly, it should be his duty to ask the client that he should come through the other member dealing generally with his original work.
- **Scope of representation which an auditor is entitled to make under Section 225(3) of the Companies Act, 1956 (Section 140(4) of the Companies Act, 2013)-**
- The right to make representation does not mean that an auditor has any prescriptive right or a lien to an audit. The wording of his representation should be such that, apart from the opportunity not being abused to secure needless publicity,

Tendering Guidelines -- Solicitations, Advertisements

- **Tendering Guidelines, 2016 (Tenders issued on or after 07/04/2016)**
- Tender for services/areas exclusively reserved for Chartered Accountants should not be responded unless minimum fees has been prescribed in the same.
- Tender for services/areas are open to other professionals along with the Chartered Accountants can be responded.
- Tender for services/areas are open to CAs and other professionals – But Tender document specifies that only CAs should apply – such tenders can be responded.
- Assignments where quotations have been called for from practicing members/firms through individual letters can be responded.
- A member can respond to tenders where only technical bid has been asked for, followed by financial quotations request from the shortlisted members through individual letters.
- The Institute can call for any papers/documents related to bid submitted by members in response to respective tender.
- A cost sheet be maintained by members of the Institute responding to tenders
- The Institute can call for any papers/documents related to bid submitted by members

Network Guidelines --Solicitations, Advertisements

➤ Network

➤ '(Guidelines for Networking.' 02/09/2011)

- Associations with “Network” as a medium of referral of professional work is permissible only if the Network is registered with the Institute, comprising only of Chartered Accountants/ Chartered Accountant Firms, and governed by the Institute’s Network Guidelines. (Announcement on 11.12.2019).
- The firms constituting a Network are permitted to use the words “Network Firms” on their professional stationery. .
- A member of the Network may advertise to the extent permitted by the Advertisement Guidelines issued by Institute
- The words “& Affiliates” shall be used after the name of the network
- **Application based Service provider Aggregators :**
 - It is not permissible for members to list themselves with online Application based service provider Aggregators, wherein other categories like businessmen, technicians, maintenance workers, event organizers etc. are also listed.
- Ethical Standards Board of ICAI has launched and operationalized CA Connect Portal, a search engine portal of CA Firms / Individual CA Practitioners on the platform of ICAI The portal is accessible at <https://cconnect.icai.org/>.

Logo Guidelines— Solicitations, Advertisements

- Logo

- The use of logo/monogram of any kind/form/ style/design/colour etc. whatsoever on any display material or media e.g. paper stationery, documents, visiting cards, magnetic devices, internet, sign board, by the members in practice and/or the firm of Chartered Accountants, be prohibited.
- Use/printing of member/firm name in any other manner tantamounting to logo/monogram was also prohibited.
- Common CA Logo can be used as per Logo Guidelines and could be used by all members, whether in practice or not.
- Common CA Logo is to promote the brand of CA profession

Solicitations, Advertisements

➤ Advisory on Mentioning Fees in Advertisements issued by Members - (28-04-2020)

- It is clarified that the quantum of Fees (including free of charge), whatsoever, should not be mentioned by members in any Advertisement of services or posting of particulars.

➤ Ranking of CA Firms- Sharing of details of the Firm :- Certain entities are seeking details of the Chartered Accountants firms, for the purpose of making ranking of the various Firms through comparison of different parameters. Sharing of details of the Firm for this purpose is not allowed as sharing of such details would tacitly result in claiming superiority of one firm over other.

➤ **Descriptions like 'established since---' should not be mentioned on Professional stationery.**

➤ **It is not permissible for CA Firm to print its vision and values behind the visiting cards, as it would result in solicitation**

For Council / Regional council members –

Last highest position held in ICAI (as an elected representative) on his visiting card , provided it is without ICAI emblem and the visiting card is of individual member only, and not of CA Firm , wherein he may be the partner

Solicitations, Advertisements

- **Sponsorship** : Member or Firm not permitted to sponsor an event. However, may sponsor an event conducted by a Programme Organizing Unit (PoU) of ICAI , provided it has prior approval of CPE Directorate.
- **Sponsorship** : Members sponsoring activities relating to CSR may mention their individual name with the prefix "CA". However, the mention of Firm name or CA Logo is not permitted.
- **Uploading Educational Videos** : Educational videos may be uploaded by members; however , no reference should be made to the CA Firm wherein he may be a partner/proprietor. it should not contain any contact details or website address.
- **Advertising of Coaching : ICAI Announcement dt. 18.5.2017**
- Members are advised to abstain from advertising their association with Coaching /teaching activities through hoardings, posters, banners and by any other means. such members may put, outside their Coaching /teaching premises, sign board mentioning the name of Coaching/teaching Institute, contact details and subjects taught therein only.
- **TV/ Movie Credit** : Member's / firm's name allowed in TV/Movie Credits , provided not mentioned differently from other persons.
- **Members and/or firms who publish advertisements under Box numbers** : Members/Firms are prohibited from inserting advertisements for soliciting clients or professional work under box numbers in the newspapers.

Solicitations, Advertisements

- **Public Interview—to Press or any Forum** : Sharing of Firm details during interview not to result in publicity, Not to highlight professional attainments and detail are given only on a specific question and of factual nature only.
- **Publication of Books, Articles or Presentation**
 - Professional attainments are prohibited however use of prefix of “CA” or designation Chartered Accountant and name of Firm permitted.
- **Advertisements for Celebrations on Silver Jubilee etc.** : Considering the need of interpersonal socialization/ relationship of members through such get together occasions ,advertisement for Silver, Golden, Diamond, Platinum or Centenary celebrations of CA Firms may be published in newspaper.
- **illumination of Sign Board** : With regard to the size of sign board for his office that a member can put up, it is a matter in which the members should exercise their own discretion and good taste. Use of glow signs or neon lights on large-sized boards as is used by traders or shopkeepers would not be proper, while keeping in mind the appropriate visibility and illumination of the sign Board.
- A member can have a name board at the place of his residence with the designation of a Chartered Accountant(Not Firm)
- **Public Announcements with details of Directors**
 - The use of the expression ‘Chartered Accountant’ is permissible. However, the member must ensure that descriptions about his expertise, specialization and knowledge in any particular field or other appellations or adjectives are not published with his name. Particulars about directorships held by the member in other Companies can, however, be given, but the name of the firm of Chartered Accountants in which the member is a partner, should not be given.

Solicitations, Advertisements

- **Internet has been added to TV / Films under commentary to Clause (7) :** Members may appear on television, films and Internet and agree to broadcast in the Radio or give lectures at forums and may give their names and describe themselves as Chartered Accountants. Special qualifications or specialized knowledge directly relevant to the subject matter of the programme may also be given. **Firm name may also be mentioned, however, any exaggerated claim or any kind of comparison is not permissible.** What he may say or write must not be promotional of him or his firm but must be an objective professional view of the topic under consideration.
- **News Letters-**
- the Ethical Standards Board at its 133rd Meeting held on 16.11.2016 was of the view that members in practice may issue newsletters on issues of professional relevance, provided the Firm name is not mentioned in the same. However, prefix of "CA" with the name of individual member is permissible. The professional services can of course not be mentioned, since these are governed with the Advertisement Guidelines of the Institute.
- **Organizing Training Courses, Seminars etc. for his staff**
- **For Clients, Staff and Staff of Other C As But** undue prominence should not be given to the name of the Chartered Accountant
- **Writing Articles or Letters to the Press**
- Members writing articles or letters to the Press on subjects connected with the profession may give their names and use the description Chartered Accountants.

Telephone or Other Directories – Solicitations, Advertisements

- Publication of Name or Firm Name by Chartered Accountants in the Telephone or other Directories published by Telephone Authorities or Private Bodies.
- Entries may be made in a Telephone Directory (in printed and electronic form) either by making a special request or by means of an additional payment.
- section/category only that of 'Chartered Accountants'.
- **Same town, Alphabetical Order**
- **No** differential or prominent manner
- Entries open to all Cas/Firms in that city
- The members can also include their names in trade/ social directories
- **Specialised Directories for limited circulation**
- Permissible--
 - Advertisement for recruiting staff in the member's own office.
 - Advertisement inserted on behalf of clients requiring staff or wishing to acquire or dispose of business or property.
 - Advertisement for the sale of a business or property by a member acting in a professional capacity as trustee, liquidator or receiver.

Recent Decisions/Announcements of Ethical Standards Board

- A CA Firm may register itself on Udyog Aadhar, a web portal of Ministry Micro, Small and Medium Enterprises.
- It is not permissible for a member to use WhatsApp to send messages to make people aware about his practice, and mention the services provided therein.
- It is permissible for two or more Chartered Accountants in practice collectively to have joint training session for their clients on GST, and share the fees collected from the clients thereof.
- A chartered accountant in practice can provide services through kiosk only if the services provided are professional activities of a practicing chartered accountant, permitted under the Act.

Recent Decisions/Announcements of Ethical Standards Board

- A Chartered Accountant in practice may be an equity research adviser, but he cannot publish retail report, as it would amount to other business or occupation.
- A Chartered Accountant in practice may engage himself as Registration Authority (RA) for obtaining digital signatures for clients.
- It is not permissible for CA Firm to print its vision and values behind the visiting cards, as it would result in solicitation and therefore would be violative of the provisions of Clause (6) of Part-I of First Schedule to the Chartered Accountants Act, 1949.
- It is not permissible for chartered accountants in practice to take agencies of UTI, GIC or NSDL.

Recent Decisions/Announcements of Ethical Standards Board

- Members in practice engaged in Coaching/Teaching activities are advised to abstain from advertising their association with Coaching /teaching activities through hoardings, posters, banners and by any other means, failing which they may be liable for disciplinary action, as per the provisions of Chartered Accountants Act, 1949 and Rules /Regulations framed thereunder .
- Certain decisions on GST Practice (Ref. FAQs on ethical issues relating to GST dt. 15.11.2017)
- The member /Firm can conduct training through seminars etc. on GST but only invite its existing clients to such training programmes.
- He can send presentation on GST /write-up on GST only to existing clients, and to a proposed client if an enquiry was received from the proposed client with regard to the same.
- In terms of provisions of Clause (7) of Part-I of First Schedule to The Chartered Accountants Act, 1949, it is not permissible for a member to mention himself as GST Consultant.
- A member can share GST updates, mentioning himself as “CA” with individual name, provided the communication is limited to providing updates. Mention of Firm name is not allowed.
- member can publish testimonials /appreciation letters received by him with regard to GST Training assignments on CA Firm website, but not on social media like Facebook, LinkedIn etc.
- GST training can be provided to the existing clients. In case of non-clients, training can be provided only if the member is invited to provide such training.

FAQs— Books, Articles and Presentation

- 02.08.2021-- FAQs on Books, Articles and Presentation (Announcement by Ethical Standards Board of ICAI, New Delhi)
- Q. 1 Whether a member in practice may mention his name , along with the prefix “CA” in a book or an article published by him, or a presentation made by him?
- A. **Yes, a member in practice may mention his name, along with the prefix “CA” in a book or article published by him, or a presentation made by him.**
- Q. 2 Whether a member may mention his name along with the prefix “CA” in a book or an article published by him, or a presentation made by him , along with the name of Chartered Accountants Firm , wherein he is a partner ?
- A. **Yes, the name of member can be mentioned along with the prefix “CA” in a book or article published by him, or a presentation made by him, along with the name of Chartered Accountants Firm , wherein he is a partner. The member may also choose to use only his name, or the name of the said Chartered Accountants Firm.**
- Q. 3 Whether the permission to use “CA” and name of firm of Chartered Accountants would apply to a presentation at the platform of the Institute (e.g. in a programmes conducted by the Institute) or at other platforms?
- A. **Yes, permission to use “CA” and name of firm of Chartered Accountants would apply to a presentation at the platform of the Institute (e.g. in a Programmes conducted by the Institute) or at other platforms**

FAQs— Books, Articles and Presentation

- Q. 4 Whether the member may mention other details of the Firm on the presentation, besides the name of the Firm?
- **A. No, only the name of the Firm of Chartered Accountants may be mentioned. No other details, whatsoever, are permissible.**
- Q. 5 Whether the contact details of member like mobile no. may be mentioned on the presentation made by him?
- **A. No, mention of contact details of members like mobile no. are not permissible on the presentation made by him.**
- Q. 6 Can a member indicate his designation (other than “CA”, like “Associate Director”, “coordinator” etc.), or his association with private company in a book, article or presentation contributed / published by him?
- **A. No, it is not permissible for a member to indicate his designation (other than “CA” like “Associate Director”, “coordinator” etc.), or his association with private company in a book, article or presentation contributed or published by him, as it would be violative of Section 7 of C.A. Act, 1949.**
- Q. 7 Whether the names of other partners of the Chartered Accountants Firm can be mentioned in the Presentation?
- **A. No, the names of other partners of the Chartered Accountants Firm cannot be mentioned in the Presentation**

FAQs— Books, Articles and Presentation

- Q. 8 Whether the presentation with the name of an individual member along with the prefix “CA” along with the name of Chartered Accountants Firm would be permissible in physical Programmes only, or also through online mode?
- A. The presentation with the name of an individual member along with the prefix “CA” and with the name of C A Firm is permissible in physical Programmes as well as through online mode. It must however be noted by members that only the files with .pptx extension will be reckoned as presentation.
- Q. 9 Whether a member in service, being an employee of a CA Firm, can make a presentation, and mention his name along with prefix “CA” and name of Firm of Chartered Accountants?
- A. Yes, a member in service, being an employee of a CA Firm, can make a presentation, and mention his name along with prefix “CA” and name of the Firm of Chartered Accountants. However, the bar on mentioning professional attainments or other details of own or the Firm will be the same as in case of partner of the CA Firm.
- Q. 10 Whether the Logo of Firm of Chartered Accountants can be used on the presentation? A. No, the use of logo/monogram of any kind/form/style/design/colour etc. is prohibited. Use/printing of member/firm name in any other manner tantamounting to logo/monogram is also prohibited.
- Q. 11 Whether a member is permitted to be a publisher of a book? A . No, a member in practice is not allowed to be a publisher of a book, whether or not authored by him.

FAQs— Books, Articles and Presentation

- Q. 12 Whether a member in practice is generally permitted to write script/story for a movie?
A. **A script/story for a movie may be based on a Book written by a member in practice. However, merely writing a script/story for a movie would not fall within the general permission provided under the Appendix (9) to CA Regulations. For this, the member would require prior and specific permission of the Council.**
- Q. 13 Whether it is permissible for a member in practice to write his own blog on all issues whether professional or otherwise ?
A. **Yes, it is permissible for members to write blogs. However, the contents of the blog should not be against the public policy and should not contain any matter that may bring disrepute to the profession. Blog's content should not amount to solicitation of professional work or advertisement.**
- Q. 14 Can a member in practice author spiritual books and mention other Chartered Accountants names with prefix CA in acknowledgement message of Book?
A. **Members in practice are generally permitted to author books and articles. There will be no issue in mentioning other Chartered Accountants name with prefix CA in acknowledgement message of books.**
- Q. 15 Whether member in practice can earn income by way of royalty on books authored by him.
A. **Yes, Since the Authorship of Books is generally permitted, the ancillary income/benefits received from the same will also be permissible.**
- Q. 16 Whether member is permissible to write Series of Articles explaining various provisions of GST/Income Tax laws to local news paper.
A. **Yes, it is permissible member in practice to write articles to the press on subjects connected with the profession.**

Clarifications

- **Clarification on Chartered Accountants acting as Direct Selling Agent**
- (DSA) - Ethical issues involved –
- 1) A member in practice is not permitted to market any specific product.
- 2) He may verify credit card credential
- 3) He may provide services that are in the nature of verification etc. which are in the nature of assurance services.
- 4) He may provide services, which are in the nature of Management Consultancy & other Services and can perform all those services, which a Chartered Accountant can provide.
- **Clarification regarding (1) Listing with bodies creating data-base for independent directors of Chartered Accountants and (2) acting as E-Intermediary**
- Accordingly, it is clarified that listing with the website collecting the data-base for independent directors is permissible with or without payment.
- It is also clarified that since acting as E-Return Intermediary comes within the purview of the definition “ Management Consultancy and Other Services” appearing at pages 8-10 ** of Code of Ethics, 2005 edition, it is permissible.
- **Clarification on acting as recovery consultant in Banking Sector**

The charging of fee by Recovery Consultant in Banking Sector on percentage basis is not permissible.

Clarifications

- Use of Designation(s) other than the designation of “Chartered Accountant”
- It is improper for a Chartered Accountant to state on his professional documents that he is an Income-tax Consultant, Cost Accountant, Company Secretary, Cost Consultant or a Management Consultant”.
- A Chartered Accountant in practice is not entitled to use the designation “Corporate Lawyer”.
- “The members are not permitted to use the initials ‘CPA’ (standing for Certified Public Accountant) on their visiting cards”.
- “Members of the Institute in practice who are otherwise eligible may also practice as Company Secretaries and/or Cost Accountants. Such members shall, however, not use designation/s of the aforesaid Institute/s simultaneously with the designation “Chartered Accountant”.
- In view of the above, though the members are allowed to use the description as to their qualifications however members are not permitted to use any other designation alongwith the designation ‘Chartered Accountant’.

Cases Clause (6)—Held Guilty

- Where a Chartered Accountant sent a printed card and circular letters soliciting work.--
Where a Chartered Accountant sent an application to the Chairman of a Co-operative Society offering himself for appointment as an auditor. Held that the infringement was a serious breach of professional ethics.
- Roving Enquiries--A Chartered Accountant wrote several letters to Assistant Registrars/Registrars of Co-operative Societies, Government of West Bengal requesting for allotment of audit work and to enroll his name on panel of auditors.
- Approaching through third person for appointment as Auditor-- A Chartered Accountant approached the Principal of a Secondary school through a third person known to the Principal for his appointment as auditor of that school.
- Assistant of Member writing request for Professional Work--An assistant of the Chartered Accountant under his authorization wrote letter to a stranger association requesting for appointment as auditor. Held, the Chartered Accountant was guilty of professional misconduct under the Clause.
- Writing letters of change of Address to non-Clients --A Member was found guilty of professional misconduct under Clauses (6) and (7) of Part I of the First Schedule for having issued circular letter regarding change of address of his firm to persons who were not in professional relationship with him and for having written to the shareholders thanking them for appointing him as Auditor
- Advertisement of Congratulations for opening of Office --An advertisement was published in a newspaper containing the Member's photograph wherein he was congratulated on the occasion of the opening ceremony of his office.

Cases Clause (6)—Held Guilty

- Writing to Company highlighting Professional attainments --A Member issued a printed circular letter to a Company highlighting the details of his professional attainments and services which he could render in various fields offering his professional services on a contractual basis.
- Advertisement seeking work from other Professionals-- A Member gave an advertisement in a Newspaper seeking works from other professionals.
- Liasoning with Government Departments --Where a Chartered Accountant had sent a letter to another firm of Chartered Accountants, in which he had introduced his firm as pioneer in liasoning with Central Government Ministries and its allied Departments for getting various Government clearances for which he had claimed to have expertise and had given a list of his existing clients and details of his staff etc.
- Personal visit for securing Appointment as Auditor-- Where a Chartered Accountant had visited personally the clients for securing the appointment as auditors of the Institutions.
- Writing letter for Empanelment with a recommendation-- Where a Chartered Accountant had addressed an undated but signed letter to a Bank requesting for empanelment of his firm as auditor alongwith the particulars of his firm showing the past experience and other details of the firm; and a Member of Parliament had also sent a letter to the Bank recommending the name of the said Chartered Accountants firm for immediate empanelling for Internal Audit/Inspection Audit/Management Audit, Expenditure Audit.

Cases Clause (6)—Held Guilty

- Advertisement mentioning administrative ability and availability for retainership -- Where a Chartered Accountant had published an advertisement in two newspapers mentioning that he was a Senior Chartered Accountant having administrative ability and was available on retainership for setting up Accounts Department/Internal Auditing/Finance Management.
- A Chartered Accountant wrote various letters to officers of different Army Canteens giving details about him and his experience, his partner & office and the norms for charging audit fees
- Details of Services and books written along with New Year Greetings -- A Chartered Accountant sent New Year Greeting Cards bearing his name, qualification, the name and address of his firm and also containing the following: "List of super hit books written by XYZ--. Guide to win girls – Income-Tax raid. Contact for any type of bank for institutional loans or deposits". Clause (6) & (7)
- Publication of details of Member in Souvenir -- "With Best Compliments from XYZ---. (Chartered Accountant) Share and Stock Sub-Broker. The said advertisement also contained office timing 8 A.M. to 10 A.M., telephone nos. of market and residence and addresses of office and market
- Using Signboard on Electric Poles and Shutters of shops --An Industrial Consultant was providing services of Income Tax Returns, TDS Return, PAN No. etc. and the same was run by the Member's wife. However, the address, telephone number, email id, PAN No. form, calendars etc. of Consultant all belonged to the Member. The signboard of the firm was hanged on various electric poles and shutters of shop.

Cases Clause (7)—Held Guilty

- Using designations other than Chartered Accountant –
- Where a Chartered Accountant used the designation 'Incorporated Accountant, London' and 'Registered Accountant, India', in the Balance Sheet OR 'Industrial and Management Consultant' in addition to the designation 'Chartered Accountant' on printed circular sent to a stranger OR Where a Chartered Accountant in his firm's letter head had used the designation 'Manager (Liaison & Sales)' OR "Share and Stock Sub-broker" along with the designation of "Chartered Accountant"
- Where a Chartered Accountant had used the designation and expression other than the Chartered Accountant, mentioned his experience as General Manager of a Cooperative Bank, expressed himself as President and Chief Executive of an Institute in his professional documents and had depicted religion and politics in his letterheads and letters for professional attainments.
- Advertising Professional Attainments --A Chartered Accountant wrote several letters to Government Department, inter alia, pointing out seniority of his firm, sending his life sketch and stating that he had a glorious record of service to the country as well as to the organization of accountancy profession with a view to get the audit work.
- Offering Concessions along with services-- Where a Chartered Accountant had issued two insertions in a Journal published by a Chamber of Commerce offering various services and expressing his willingness to offer the concession in respect of all services offered by him. Held that he was guilty under clauses (6) & (7).

Cases Clause (7)—Held Guilty

- Propagating services through SMS --Where a Chartered Accountant allegedly propagating his services subsequent to demonetization, an objective of Government of eradicating black money, through mass SMS along with his mobile number offering his services towards conversion of cash with minimum tax liability.

Thank You-!!!

29th April 2022 : 05.00 pm to 07.00 pm—WIRC
Webinar

CA Shashikant Barve

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