



FAQ on Practical
Issues on
Professional Ethics &
Code of Conduct

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FAQ on Practical Issues on Professional Ethics & Code of Conduct

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	Query	Solution
1.	Can a member in practice render Management Consultancy and other services?	
2.	Whether a member in practice is permitted to undertake the management of NRI funds?	
3.	Can a Chartered Accountant provide 'Portfolio Management Services' (PMS) as part of CA practice?	
4.	Whether a Chartered Accountant in practice is required to obtain any trade license for practicing?	
5.	Can a Chartered Accountant in practice work as a 'Collection Agent/Recovery Agent'?	
6.	Whether a practicing Chartered Accountant can agree to select and recruit personnel, conduct training programs and work-studies for and on behalf of a client?	
7.	Can a member in practice have a branch office/additional office/temporary office?	
8.	Can a Chartered Accountant in practice allow any person to practice in his name as a Chartered Accountant?	
9.	Can a Chartered Accountant in practice pay to any person any share, commission or brokerage in the fees or profits of his professional business?	
10.	Can a Chartered Accountant in practice share his fees with the Government in respect of Government Audit?	
11.	Can goodwill of a Chartered Accountant firm be purchased?	
12.	Can a Chartered Accountant in practice enter into partnership with a practising Chartered Accountant of a recognized foreign professional body for sharing fee of their partnership within India?	
13.	Can a practicing Chartered Accountant secure any professional business through the services of a person who is not his employee or partner?	

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14.	Can a practicing Chartered Accountant solicit clients or professional work by, advertisement?	
15.	Whether member in practice is permitted to respond to announcement for empanelment for allotment of audit and other Professional work and quote fees on enquiries being received?	
16.	Whether a member in practice is permitted to have his name published in Telephone Directory?	
17.	Whether a member in practice can respond to Tenders, Advertisements and Circulars?	
18.	Can a member in practice indicate in a book or an article, Authored/contributed/published by him, his association with any firm of Chartered Accountants?	
19.	Whether the word “Chartered Accountants” and name of city after the name of the members of the Institute be mentioned in the articles contributed by such members and published in the Institute's Journal?	
20.	Can a Chartered Accountant in practice solicit professional work by making roving enquiries?	
21.	Can a Chartered Accountant in practice seek professional work from his professional colleagues?	
22.	Whether sponsorship or prizes can be instituted in the name of Chartered Accountants or a firm of Chartered Accountants?	
23.	Can a Chartered Accountants firm give advertisement in relation to Silver, Diamond, Platinum or Centenary celebration of the firm?	
24.	A Chartered Accountants firm issued circulars to the non- clients that a Chartered Accountant who was the former partner in-charge of Taxation of one of the largest accounting firms of the world, had joined them as partner. Can they do it?	

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25.	In a representation submitted to a company under Section 225(3) of the Companies Act, 1956, the auditors of the company included the contribution made by the firm in strengthening the control procedures of the company during their association with the company. Is it misconduct?	
26.	Can a Chartered Accountant in practice accept original Professional work emanating from the client introduced to him by another member?	
27.	Whether a Chartered Accountant in practice can give public interviews and also whether he can furnish details about himself or his firm in such interviews?	
28.	A Chartered Accountant in practice during a TV interview, handed over a bio-data of his firm to the Chairperson. Such bio-data detailed the standing of the international firm with which the firm was associated. It also detailed the achievements of the concerned partner and his recognition as an expert in the field of taxation in the country. The chairperson read out the said bio-data during the interview. Is it a professional misconduct?	
29.	Can a Chartered Accountant in practice/firm of Chartered Accountants post the particulars of himself/itself on a website?	
30.	Whether website of any Chartered Accountant can provide a link to the website of ICAI, its Regional Councils and Branches and also to the websites of Govt./Govt. Departments/Regulatory authorities?	
31.	Whether the information contained in the website of the Chartered Accountants and/or Chartered Accountants' firms can be circulated on their own or through e-mail or by any other mode or technique?	
32.	Can a member put up his photograph on the website?	
33.	Can a Chartered Accountant advertise his professional attainments or services, or	

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	can he use any designation or expression other than Chartered Accountants on professional documents, visiting cards, letter heads or sign boards, etc.?	
34.	Whether a Chartered Accountant in practice can use expression like Income Tax Consultant, Cost Accountant, Company Secretary, Cost Consultant or a Management Consultant?	
35.	Can a Chartered Accountant in practice give the date of setting up the practice or date of establishment on the letterheads and other professional documents, etc.?	
36.	Can a Chartered Accountant in practice also practice as an Advocate?	
37.	Whether a Chartered Accountant in practice can use the designation 'Corporate Lawyer'?	
38.	Can a Chartered Accountant in practice/firm give advertisement in press?	
39.	Whether a member can appear on television/Radio or give lectures at forums?	
40.	Whether Companies in which Chartered Accountants have been appointed as directors on their Board can publish description about the Chartered Accountant's expertise, specialization and knowledge in any particular field or add appellations or adjectives to their names in the prospectus or public announcements issued by these companies?	
41.	If a member is a partner in more than one firm, is it permissible to print the names of all the firms on visiting cards, letter-heads, stationery etc.?	
42.	Whether a Chartered Accountant/Firm is permitted to use logo on letter-heads, stationery, etc.?	
43.	Can a Chartered Accountant in practice use/fix a monogram of the Institute on any column/wall located inside the office or on professional documents?	
44.	Whether the office of a Chartered Accountant is permitted to go in for ISO 9001: 2000 certification or other similar	

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	certifications?	
45.	If a member has passed any additional course of the ICAI, is he permitted to print such qualification on visiting cards, letter heads and other stationery?	
46.	Whether public notice published in the newspaper by a Chartered Accountant individually or jointly with an Advocate in respect of acquisition of land by their client is permitted??	
47.	Whether a Chartered Accountant in practice can accept a position as auditor previously held by another Chartered Accountant without first communicating with him in writing?	
48.	Whether a Chartered Accountant in practice can accept audit in case the audit fee of the previous auditor remains unpaid??	
49.	Whether posting of a letter under "Certificate of Posting" is sufficient to establish communication with retiring auditor?	
50.	Whether a Chartered Accountant who is appointed as tax auditor for conducting special audit under the Income-tax Act by the IT Authorities is required to communicate with statutory auditor?	
51.	Whether it is obligatory for the auditor appointed to conduct a special Audit under Section 233A of the Companies Act, 1956 to communicate with the previous auditor who has conducted the regular audit for the period covered by the Special Audit??	
52.	Whether communication with previous auditor is necessary in case of appointment as statutory auditor by nationalized and other Banks?	
53.	Whether communication by the Incoming auditor is mandatory with the previous auditor in respect of various audit assignments, like the concurrent audit, revenue audit, tax audit and special audits etc.?	
54.	Whether a Chartered Accountant will be	

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	deemed to be guilty of professional misconduct if he accepts his appointment as an auditor immediately after intimating his appointment over the phone to the previous auditor?	
55.	Whether a Chartered Accountant can accept an appointment as auditor of a company without first ascertaining from it whether the requirement of Section 225 of the Companies Act, 1956 in respect of such appointment have been duly complied with?	
56.	Whether a statutory auditor can be appointed in the adjourned Meeting in place of existing statutory auditor where no special notice for removal or replacement of the retiring auditor is received at the time of the original meeting?	
57.	Whether a Chartered Accountant or a firm of Chartered Accountants can charge or offer to charge professional fees based on a percentage of turnovers?	
58.	Whether a Chartered Accountant in practice can engage in any business or occupation other than the profession of Chartered Accountancy?	
59.	Whether a member in practice is allowed to become whole-time director of a company?	
60.	Whether a member in practice can be a director of a company?	
61.	Whether a Chartered Accountant in practice is entitled to accept teaching assignment?	
62.	Can a Chartered Accountant working in a CA firm hold CoP?	
63.	Can a practicing Chartered Accountant accept a position as auditor previously held by some other Chartered Accountant in such conditions as to constitute undercutting?	
64.	Can a Chartered Accountant in Service accepts or agrees to accept any part of fees, profits or gains from a lawyer, a Chartered Accountant or broker engaged	

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	by such company, firm or person or agent or customer of such company, firm or person by way of commission or gratification?	
65.	Whether a Member of the Institute shall be deemed to be guilty of professional misconduct, if he includes in any statement, return or form to be submitted to the Council any particulars knowing to be false?	
66.	Whether a member of the Institute shall be deemed to be guilty of professional misconduct, if he does not supply the information called for, or does not comply with the requirements asked for, by the Institute?	
67.	Can a Chartered Accountant in practice disclose information acquired in the course of his professional engagement?	
68.	Whether an auditor is required to provide to the client or to main auditor of the Head Office of the same enterprise access to his audit working papers?	
69.	Whether Joint Auditors can demand the working papers of one another?	
70.	Whether a joint auditor will be responsible for the work done by other joint auditor?	
71.	Whether the member in practice can permit his name or the name of his firm to be used in connection with an estimate of earnings contingent upon future transactions in a manner which may lead to the belief that he vouches for the accuracy of the forecast?	
72.	Can a member in practice express his opinion on financial statements of any business or enterprises in which he, his relative, his firm or a partner in his firm has a substantial interest?	
73.	Whether the Chartered Accountant who is appointed as a liquidator of a company can do the audit of that company?	
74.	Whether the Chartered Accountant will be guilty of professional misconduct, if he: (i) accept the auditorship of a college, if he is working as a part-time lecturer in the	

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	college. (ii) accept the auditorship of a trust where his partner is either an employee or a trustee of the trust.	
75.	Can a member audit an enterprise/concern where he is a director?	
76.	Whether a member can audit an enterprise/concern where a partner or relative of the member is a director in the company who has a substantial interest?	
77.	Can an auditor write the books of accounts of the auditee?	
78.	Whether a member who is carrying out statutory audit and also rendering management consultancy services to his auditee clients can receive fees for such other services, which are in excess of the audit fees	
79.	Whether a statutory auditor can accept the system audit of same entity?	
80.	Whether a statutory auditor is eligible for appointment under Section 217(6) of the Companies Act with the duty of seeing that the provisions of sub-sections (1) to (3) of Section 217 are complied with, particularly with regard to "Directors' Responsibility Statement"?	
81.	Whether a Chartered Accountant is qualified to be appointed as statutory auditor of one subsidiary company when he is the internal auditor of another subsidiary of the same holding company?	
82.	Whether a member in practice will be liable, if he fails to disclose a material fact known to him which is not disclosed in a financial statement, but disclosure of which is necessary to make the financial statement not misleading?	
83.	Whether a member in practice will be liable if he fails to report a material mis-statement known to him to appear in a financial statement with which he is concerned in a professional capacity??	
84.	Whether a member in practice will be liable if he is grossly negligent in the conduct of his professional duties?	

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85.	Whether a member in practice will be liable in a case where he was alleged to have signed two balance sheets on two different dates for the same financial year, the first one with a clean report and the second one with a qualified report?	
86.	Whether a member in practice will be liable if he fails to obtain sufficient information to warrant the expression of an opinion or his exceptions are sufficiently material to negate the expression of an opinion?	
87.	Whether a member in practice will be liable if he fails to invite attention to any material departure from the generally accepted procedure of audit applicable to the circumstances?	
88.	Whether a member in practice will be held liable for failing to keep moneys of his client in a separate banking account or to use such moneys for purposes other than they are intended for?	
89.	Can a Chartered Accountant receive his professional fees in advance partly or in full?	
90.	Whether a member of the Institute will be liable, if he contravenes any of the provision of the Act or the Regulations or the Guidelines issued by the Council?	
91.	Whether a member of the Institute shall be guilty of professional misconduct, if he accepts appointment as cost auditor of company under section 233B of the Companies Act, 1956 while he is an auditor of the company appointed under section 224 of the Companies Act, 1956?	
92.	Whether a member of the Institute shall be guilty of professional misconduct, if he accept appointment as auditor of company under section 224 of the Companies Act, 1956 while he is an employee of the cost auditor of the company appointed under section 233B of the Companies Act, 1956?	
93.	Whether a member of the Institute in practice is required to maintain books of	

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	accounts?	
94.	Is there any ceiling on the number of tax audit assignment that can be taken up by a member in practice?	
95.	Whether the audits conducted under Section 44AD, 44AE and 44AF of the Income Tax Act, 1961 shall be taken into account for the purpose of reckoning the specified no. of tax audit assignments?	
96.	Whether a Chartered Accountant is permitted to accept appointment as auditor of a concern while he is indebted to the firm or has given any guarantee or provided any security in connection with the indebtedness of any third person to the concern?	
97.	Whether the statutory auditors consisting of ten or more members can conduct the branch audits of the same company?	
98.	Is there any ceiling on the fees to be accepted from one company?	
99.	Is there any recommended scale of fees chargeable for the work done by the members of the Institute?	
100.	Whether a member of the Institute in practice is liable for professional misconduct, if he does not follow the direction given, by the Council or an appropriate Committee or on behalf of any of them, to the incoming auditors not to accept the appointment as auditors, in the case of unjustified removal of the earlier auditors?	
101.	Can the auditor revise his Audit Report?	
102.	Whether a member of the Institute shall be deemed to be guilty of professional misconduct, if he includes in any statement, return or form to be submitted to the Council or any of its committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority any particulars knowing to be false?	
103.	What is the status of a Chartered Accountant who is a salaried employee of a Chartered Accountant in practice or a	

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	firm of such Chartered Accountants?	
104.	Can a member in practice be Promoter/Promoter Director of the Company?	
105.	Can a member in practice be a sleeping partner in family business concern?	
106.	Can a member who is in part-time/full time employment apply for Certificate of Practice and do attest functions?	
107.	What should be the size of signboard for the office?	
108.	Can a member share profits with the widow of his deceased partner?	
109.	Can there be any sharing of fees between the widow or the legal representative of the proprietor of a single member firm and the purchaser of the goodwill of the firm on the death of the sole proprietor of the firm?	
110.	Can the goodwill of a proprietary firm of Chartered Accountant, after his death be sold/transferred to another eligible member of the Institute?	
111.	Can a member publish a change in partnership or change in the address of practice and telephone numbers?	
112.	Can a member act as an Insurance Surveyor?	
113.	Whether the members are required to intimate his website address to the Institute?	
114.	Can a member act as a Tax Auditor and Internal Auditor of an entity?	
115.	Can a Concurrent Auditor of a Bank also undertake the assignment of quarterly review of the same bank?	
116.	Can a member act as a Insurance Agent and arrange business for Insurance company?	
117.	Can a member or firm advertise his/its services?	
118.	Can a member holding Certificate of Practice is entitled to own Agricultural land and continue agricultural activity?	
119.	Whether a Professional Accountant in Public Practice may pay or receive a	

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	referral fees or commission?	
120.	What are the safeguards available to a Professional Accountant in Public Practice in respect of Custody of Client Assets?	
121.	Whether a person who is an officer or employee of an entity shall be qualified for appointment as auditor of that entity?	
122.	Whether a firm can obtain an assurance engagement at a significantly lower fee level than that charged by the predecessor firm, or quoted by other firms?	

