

**Code of Ethics
And
Disciplinary Mechanism of ICAI
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**Nagpur Branch of WIRC of ICAI
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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.
- The existing (2009) edition of ICAI Code of Ethics is based on 2005 edition of IESBA Code of Ethics.

Existing Code of Ethics contains Two Parts

- ❑ Part A which includes 3 Chapters
 - General Application of the Code
 - Professional Accountants in Public Practice
 - Professional Accountants in Service
 - Conceptual in Nature & lays broad principles
- ❑ Part B which contains specific references to Accounting & Auditing Standards, The Chartered Accountants Act, 1949, Council Guidelines and Self Regulatory Measures

General Application of Code – Fundamental Principles

➤ A professional accountant is required to comply with the following fundamental principles:

(a) Integrity (Sec. 110)– Being straightforward and honest in all professional and business relationships.

(b) Objectivity (Sec. 120)– Not allow bias, conflict of interest or undue influence of others to override professional judgments.

(c) Professional Competence and Due Care (Sec. 130)– Continuing duty to 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

(d) Confidentiality- (Sec. 140)– 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.

(e) Professional Behaviour (Sec. 150)– Should comply with relevant laws and regulations and should avoid any action that discredits the profession.

Threats in Compliance of Fundamental Principles

- (a) Self-interest threats**, which may occur as a result of the financial or other interests of a professional accountant or of a relative
- (b) Self-review threats**, which may occur when a previous judgment needs to be re- evaluated by the professional accountant responsible for that judgment
- (c) Advocacy threats**, which may occur when a professional accountant promotes a position or opinion to the point that subsequent objectivity may be compromised
- (d) Familiarity threats**, which may occur when, because of a relationship, a professional accountant becomes too sympathetic to the interests of others
- (e) Intimidation threats**, which may occur when a professional accountant may be deterred from acting objectively by threats, actual or perceived.

Safeguards for the Threats

(A) Safeguards created by the profession, legislation or regulation include, but are not restricted to:

- (a) Educational, training and experience requirements for entry into the profession.
- (b) Continuing professional development requirements.
- (c) Corporate governance regulations.
- (d) Professional standards.
- (e) Professional or regulatory monitoring and disciplinary procedures.
- (f) External review by a legally empowered third party of the reports, returns, communications or information produced by a professional accountant.

Safeguards for the Threats

(B) Safeguards in the work environment

Firm-wide safeguards in the work environment may include:

- Stress on compliance with the fundamental principles.
- Members of an assurance team will act in the public interest.
- Policies and procedures to implement and monitor quality control of engagements.
- Documented policies regarding the identification of threats to compliance with the fundamental principles- identification and the application of safeguards to eliminate or reduce the threats, other than those that are clearly insignificant, to an acceptable level.
- For firms perform assurance engagements, **documented independence policies.**
- Documented internal policies and procedures requiring compliance with the fundamental principles.
- Policies and procedures that will enable the identification of interests or relationships between the firm or members of engagement teams and clients.

Safeguards for the Threats

- Policies and procedures to monitor and, if necessary, manage the reliance on revenue received from a single client.
- Using different partners and engagement teams with separate reporting lines for the provision of non assurance services to an assurance client.
- Policies and procedures to prohibit individuals who are not members of an engagement team from inappropriately influencing the outcome of the engagement.
- Timely communication of a firm's policies and procedures, including any changes to them, to all partners and professional staff, and appropriate training and education on such policies and procedures.
- Designating a member of senior management to be responsible for overseeing the adequate functioning of the firm's quality control system.
- Advising partners and professional staff of those assurance clients and related entities from which they must be independent.
- A disciplinary mechanism to promote compliance with policies and procedures.
- Published policies and procedures to encourage and empower staff to communicate to senior levels within the firm any issue relating to compliance with the fundamental principles that concerns them.

Safeguards for the Threats

Engagement-specific safeguards in the work environment may include:

- Involving an **additional professional accountant to review** the work done or otherwise advise as necessary.
- **Consulting an independent third party**, such as a committee of independent directors, a professional regulatory body or another professional accountant.
- **Discussing ethical issues** with those charged with governance of the **client**.
- Disclosing to those charged with governance of the client the nature of services provided and extent of fees charged.
- Rotating senior assurance team personnel.

Safeguards within the **client's systems and procedures** may include:

- When a client appoints a firm in public practice to perform an engagement, persons other than management ratify or approve the appointment.
- Competence of Client's employees with experience & seniority to make managerial decisions.
- The client has implemented internal procedures that ensure objective choices in commissioning non assurance engagements.
- The client has a corporate governance structure that provides appropriate oversight and communications regarding the firm's services.

Application of Conceptual Framework by Professional Accountants in Public Practice in Important Circumstances

Section 210 : Professional Appointment

- Client Acceptance
- Engagement Acceptance
- Changes in a Professional Appointment

Section 220 : Conflicts of Interest

Section 230 : Second Opinions

Section 240 : Fees and Other Types of Remuneration

Section 250 : Marketing Professional Services

Section 260 : Gifts and Hospitality

Section 270 : Custody of Client Assets

Section 280 : Objectivity—All Services

Section 290 : Independence—Assurance Engagements

Application of Conceptual Framework by Professional Accountants in Service in Important Circumstances

Section 310 : Potential Conflicts

Section 320 : Preparation and Reporting of Information

Section 330 : Acting with Sufficient Expertise

Section 340 : Financial Interests

Section 350 : Inducements

Part B

- Accounting and Auditing Standards
 - Statements , Standards and Guidance Notes.
- The Chartered Accountants Act, 1949 – Relevant Provisions
 - Members who are deemed to be in practice
 - Significance of the certificate of Practice
 - A Member in practice is prohibited from using a designation other than Chartered Accountant.
 - Disabilities for purpose of Membership
 - Removal from the Register
 - Procedure in Inquiries for Disciplinary Matters relating to misconduct of the members of the Institute
 - Conduct of the members in any other Circumstances
 - Penalty for falsely claiming to be a Member etc.
 - Companies not to engage in accountancy
 - Unqualified persons not to sign documents
 - Maintenance of Branch Offices
 - Procedure with regard to noting by the Institute of retirement of Partner(s) of a firm

Quality Assurance Mechanism in ICAI

- **Quality Review Board (QRB)**
 - Set up by Section 28A of CA Act.
 - Consists of 11 Members. Chairperson and 5 members nominated by Govt.
 - 5 Members nominated by Council.
 - To Review quality of services by members, recommendations to ICAI, Guidance to members.
 - QRB Team can visit Firms.
- **Financial Reporting and Review Board (FRRB)**
 - Non Standing Committee of ICAI.
 - Only Council Members. No co-opted members.
 - Review of Financial Reporting by Members, recommendations to ICAI, Guidance to members
 - Review on the basis of published accounts and additional documents, if required.
- **Peer Review Board (PRB)**
 - Non Standing Committee of ICAI.
 - To ensure that in carrying out the assurance service assignments, the members
 - (a) comply with Technical, Professional and Ethical Standards including other regulatory requirements
 - (b) have in place proper systems including documentation thereof.
 - Members appointed by Board as Reviewers- visit practice units and carry out Review.
 - Certificate issued after satisfactory completion of Review.
- **Taxation Audits Quality Review Board -**
 - New Non standing Committee formed to perform Review of Taxation Audit reports in line with FRRB.

Disciplinary Authorities in ICAI

➤ **Disciplinary Directorate (Section 21)**

- Headed by an officer of the Institute designated as Director (Discipline)
- Employees for making investigations in respect of any information or complaint received by it.

➤ **Board of Discipline (Section 21A)**

- President or the Vice-President of the Council as the Presiding Officer
- One Elected Council Members
- Person of eminence having experience in the field of law, economics, business, finance or accountancy nominated by Govt.

➤ **Disciplinary Committee (Section 21B)**

- Presiding Officer appointed by Council - person with experience in law and having knowledge of disciplinary matters and the profession (President, Vice President or Senior Council Member)
- Two Elected Council Member
- Two members to be nominated by the Central Government from amongst the persons of eminence having experience in the field of law, economics, business, finance or accountancy
- The Council may constitute more Disciplinary Committees

➤ **Appellate Authority (Section 22A)**

- Central Government shall, by notification, constitute an Appellate Authority.
- A person who is or has been a judge of a High Court, to be its Chairperson
- Two members to be appointed from amongst the persons who have been members of the Council for at least one full term and who is not a sitting member of the Council.
- Two members to be nominated by the Central Government from amongst persons having knowledge and practical experience in the field of law, economics, business, finance or accountancy

Part B

➤ Part – I of The First Schedule :

Professional Misconduct in relation to Chartered Accountants in practice

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

Clause (1): Allowing Non CA to practice in his name :-

allows any person to practice in his name as a chartered accountant unless such person is also a chartered accountant in practice and is in partnership with or employed by him;

Clause (2): Sharing Fees or Profits with Non CAs:-

pays or allows or agrees to pay or allow, directly or indirectly, any share, commission or brokerage in the fees or profits of his professional business, to any person other than a member of the Institute or a partner or a retired partner or the legal representative of a deceased partner, or a member of any other professional body or with such other persons having such qualifications as may be prescribed, for the purpose of rendering such professional services from time to time in or outside India. Explanation: In this item “partner” includes a person residing outside India with whom a chartered accountant in practice has entered into partnership which is not in contravention of item (4) of this part

Part B

➤ Part – I of The First Schedule

Clause (3): Receiving Share in Profits from Non CA

accepts or agrees to accept any part of the profits of the professional work of a person who is not a member of the Institute; Provided that nothing herein contained shall be construed as prohibiting a member from entering into profit sharing or other similar arrangements, including receiving any share commission or brokerage in the fees, with a member of such professional body or other person having qualifications, as is referred to in item (2) of this Part;

Clause (4): Entering in Partnership with other than CAs in practice :-

enters into partnership, in or outside India, with any person other than a chartered accountant in practice or such other person who is a member of any other professional body having such qualifications as may be prescribed, including a resident who but for his residence abroad would be entitled to be registered as a member under Clause (v) of sub-Section (1) of Section 4 or whose qualifications are recognised by the Central Government or the Council for the purpose of permitting such partnerships

Part B

➤ Part – I of The First Schedule

Clause (5): Securing Professional Business by non permitted means :-

secures, either through the services of a person who is not an employee of such chartered accountant or who is not his partner or by means which are not open to a chartered accountant, any professional business: Provided that nothing herein contained shall be construed as prohibiting any arrangement permitted in terms of items (2), (3) and (4) of this Part;

Clause (6): Solicitation of Professional Work :-

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 organisations from time to time and securing professional work as a consequence;

Part B

➤ Part – I of The First Schedule

Clause (7): Advertisement of Professional and Other Achievements :-

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;

Clause (8): Non Communication with Previous Auditor :-

accepts a position as auditor previously held by another chartered accountant or a certified auditor who has been issued certificate under the Restricted Certificate Rules, 1932 without first communicating with him in writing;

Part B

➤ Part – I of The First Schedule

Clause (9): Accepting Audit Appointment without ascertaining Company Law compliance :- accepts an appointment as auditor of a company without first ascertaining from it whether the requirements of Section 225 of the Companies Act, 1956 (1 of 1956), in respect of such appointment have been duly complied with;

Clause (10): Charging Fees on the basis of Percentage or Contingencies :-

charges or offers to charge, accepts or offers to accept in respect of any professional employment, fees which are based on a percentage of profits or which are contingent upon the findings, or results of such employment, except as permitted under any regulation made under this Act;

Clause (11): Engaging business/occupation other than CA :-

engages in any business or occupation other than the profession of chartered accountants unless permitted by the Council so to engage: Provided that nothing contained herein shall disentitle a chartered accountant from being a director of a Company, (not being a managing director or a whole time director), unless he or any of his partners is interested in such company as an auditor;

Part B

➤ Part – I of The First Schedule

Clause (12): Allowing Persons other than practicing CA to sign on his behalf:-

allows a person not being a member of the Institute in practice, or a member not being his partner to sign on his behalf or on behalf of his firm, any balance- sheet, profit and loss account, report or financial statements.

➤ Part – II of The First Schedule :

Professional Misconduct in relation to Chartered Accountants in Service

A member of the Institute (other than a member in practice) shall be deemed to be guilty of professional misconduct, if he being an employee of any company, firm or person —

Clause (1): Sharing Emoluments :-

pays or allows or agrees to pay directly or indirectly to any person any share in the emoluments of the employment undertaken by him;

Clause (2): Accepting part of Fees etc from Professional engaged by employer company :-

accepts or agrees to accept any part of fees, profits or gains from a lawyer, a chartered accountant or broker engaged by such Company, firm or person or agent or customer of such Company, firm or person by way of commission or gratification;

Part B

➤ Part – III of The First Schedule :

Professional Misconduct in Relation to Members of the Institute Generally

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he:-

- Clause (1): not being a fellow of the Institute, acts as a fellow of the Institute.
- Clause (2): does not supply the information called for, or does not comply with the requirements asked for, by the Institute, Council or any of its Committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority;
- Clause (3): While inviting professional work from another chartered accountant or while responding to tenders or enquiries or while advertising through a write up, or anything as provided for in items (6) and (7) of Part I of this Schedule, gives information knowing it to be false.

Part B

➤ Part – IV of The First Schedule :

Other misconduct in relation to members of the Institute generally

A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, if he—

Clause (1): is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term not exceeding six months;

The members who are held guilty by a Court of law for an offence punishable upto six months in person are also liable for misconduct.

Clause (2): 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.

Part B

➤ Part – I of The Second Schedule :

Professional misconduct in relation to chartered accountants in practice:

A chartered accountant in practice shall be deemed to be guilty of professional misconduct, if he-

Clause (1): Disclosure of information without consent of Client :-

discloses information acquired in the course of his professional engagement to any person other than his client so engaging him, without the consent of his client or otherwise than as required by any law for the time being in force;

Clause (2): Submitting Report without verification of Financial Statements :-

certifies or submits in his name, or in the name of his firm, a report of an examination of financial statements unless the examination of such statements and the related records has been made by him or by a partner or an employee in his firm or by another chartered accountant in practice;

Clause (3): Certifying Estimated Earnings :-

permits 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;

Part B

➤ Part – I of The Second Schedule :

Clause (4): Audit of Concern in which having substantial interest :-

expresses his opinion on financial statements of any business or enterprise in which he, his firm or a partner in his firm has a substantial interest;

Clause (5): Failure to disclose material facts :-

fails to disclose a material fact known to him which is not disclosed in a financial statement, but disclosure of which is necessary in making such financial statement where he is concerned with that financial statement in a professional capacity;

Clause (6): Failure to report material misstatement :-

fails to report a material misstatement known to him to appear in a financial statement with which he is concerned in a professional capacity;

Clause (7): Grossly Negligent :-

does not exercise due diligence, or is grossly negligent in the conduct of his professional duties;

Part B

➤ Part – I of The Second Schedule :

Clause (8): Failure to obtain sufficient information :-

fails to obtain sufficient information which is necessary for expression of an opinion or its exceptions are sufficiently material to negate the expression of an opinion;

Clause (9): Failure to report material departures in accounts :-

fails to invite attention to any material departure from the generally accepted procedure of audit applicable to the circumstances;

Clause (10): Failure to keep client's money in separate A/c or using the same for it's purpose:-

fails to keep moneys of his client other than fees or remuneration or money meant to be expended in a separate banking account or to use such moneys for purposes for which they are intended within a reasonable time.

Part B

➤ Part – II of The Second Schedule :

Professional Misconduct in relation to Members of the Institute generally.

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he:-

- Clause (1): contravenes any of the provisions of this Act or the regulations made thereunder or any guidelines issued by the Council
- Clause (2): being an employee of any company, firm or person, discloses confidential information acquired in the course of his employment except as and when required by any law for the time being in force or except as permitted by the employer;
- Clause (3): includes in any information, statement, return or form to be submitted to the Institute, Council or any of its Committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority any particulars knowing them to be false;

Part B

The Regulations under which cases of contravention have generally come to the notice of the Council are the following:

Regulation 43 Engagement of Articled Assistant

Regulation 46 Registration of Articled Assistant

Regulation 47 Premium from Articled Assistant

Regulation 48 Stipend to Articled Assistant

Regulation 56 Termination or assignment of Articles

Regulation 65 Articled Assistant not to engage in any other occupation

Regulation 67 Complaint against the employer (From Articled Assistant)

Regulation 68 to 80 Audit Assistant

Regulation 190 Register of offices and firms

Regulation 190A Chartered Accountants not to engage in any other business or occupation

Regulation 191 Part time employments a Chartered Accountant may accept

Regulation 192 Restriction on fees

Part B

➤ Part – III of The Second Schedule :

Other Misconduct in relation to members of the Institute generally

A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct,

if he is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term exceeding six months.

If a member of the Institute, whether in practice or not, is held guilty by any Court for any offence which is punishable with imprisonment for more than six months, he shall be held guilty of 'misconduct' under this Clause.

Part B

➤ Council Guidelines

▪ Council General Guidelines

- Conduct of a Member being an employee
- Appointment of a Member as Cost auditor
- Opinion on financial statements when there is substantial interest
- Maintenance of books of account
- Tax Audit assignments under Section 44 AB of the Income-tax Act, 1961
- Appointment of an Auditor in case of non-payment of undisputed fees
- Specified number of audit assignments
- Appointment as Statutory auditor
- Appointment of an auditor when he is indebted to a concern
- Directions in case of unjustified removal of auditors
- Minimum Audit Fee in respect of Audit

Part B

➤ **Council Guidelines**

- Guidelines for Advertisement
- Corporate Form of Practice Guidelines
- Council Guidelines for conversion of CA Firms in LLP
- CA/ CA Firm Website Guidelines
- Council Guidelines in respect of use of designation and printing of Letter heads & Visiting cards.
- CA Logo Guidelines.

➤ **Self Regulatory Measures recommended by the Council**

- Branch Audits
- Joint Audit
- Ratio Between Qualified and Unqualified Staff
- Disclosure of Interest by Auditors in other Firms
- Ceiling on the Fees
- Recommended scale of fees chargeable for the work done by the members of the Institute.

➤ **Announcements by ESB**

➤ **Clarifications by ESB**

Proposed Code of Ethics (yet to be finalized by ICAI) - Issues

- Clause (2) of Part-1 of First Schedule to the CA Act prohibits payment or sharing of fees or commission with any member other than a member of the ICAI or member of any professional body as prescribed, whereas IESBA Code permits sharing of fees /commission with any person (including member of ICAI)
- Clause (6) of Part -I of First Schedule to the CA Act prohibits solicitation of clients or professional work either directly or indirectly , and Clause (7) of Part -I of First Schedule to the CA Act prohibits advertisement of his professional attainments or services, while IESBA Code has no such restriction except to the extent of making exaggerated claims or making disparaging references.
- On the issue of Overdue fees of the Auditor, in the existing Code, there is no such provision except in case of change of auditor, however in IESBA Code , a self- interest threat may be created if fees due from an audit client remain unpaid from a long time, especially if a significant part is not paid before the issue report for the following year.
- Distinction has been made in IESBA Code as regards applicability of independence for providing certain services for audit clients which are public interest entities and which are not public interest entities , e.g. Valuation services are allowed for nonpublic interest entities subject to certain review of threats, whereas same is prohibited for public interest entities. However, no such distinction exists in the existing Code.
- IESBA Code has provisions on responding to Noncompliance with Laws and Regulations (NOCLAR) for members in practice and not in practice, however there is no corresponding provision in existing code.

Proposed Code of Ethics- Issues

Responses to online Questionnaire on proposed important changes :

(yet to be finalized by ICAI)

➤ **With regard to Clauses (6) and (7)** - Whether marketing of professional services and advertisements with certain negative restrictions should be allowed or not?

1) Media /Sign Boards /Hoardings/Social Media – Paid advertisement not allowed. Present position to continue

2) Information on Social Media – Members may circulate information about services rendered (other than attest functions) on social media. Also, while circulating information, they shall not mention the Fees charged, and names of partners .

3) Website – A member/Firm may have his own website either on push /pull mode . However , the detailed conditions/ restrictions contained in Website Guidelines may be dispensed with – only following conditions may henceforth be mentioned:-

(a) Not to solicit people to visit the Website in any manner, whatsoever

(b) Not to use own logo

(c) Must maintain adequate secrecy of the matters of the clients handled through Website.

(d) No advertisement will be permitted on the Website.

(e) Must not contain any information or material which is unbecoming of a Chartered Accountant

(f) Not to mention names of clients/Fees charged (except if required by a Regulator)

Proposed Code of Ethics- Issues

Responses to online Questionnaire on proposed important changes :

(yet to be finalized by ICAI) (contd.)–

- 4) Mass sms/e-mail – Permissible to specific categories , but not generally
- 5) Participation through Tenders – Governed by Council Directions from time to time
- 6) Use of Firm's name – Mention of name of individual CA is allowed , but not the Firm's name
- 7) Publication of name of firm or CA name in telephone/ other directories issued by private parties – Will continue to be allowed including on paid basis (but should not amount to advertisement)
- 8) Trademark /Firm Logo – Not allowed

Proposed Code of Ethics- Issues

Responses to online Questionnaire on proposed important changes :

(yet to be finalized by ICAI) (contd.)–

- **With regard to Overdue Fees** - Whether para similar to IESBA Code of Ethics should be included in the draft or there should be complete prohibition from signing the audit report of following year if the substantial fees are not paid of the earlier year, subject to certain exceptions like loss making company or sick company etc.?

Responses/views received - The change should be introduced

- **Sharing of fees** – With the opening of the economy member may provide services to the client through different experts or consultants. In such a case, should we allow members to share the fees with the third party for their services provided (Clause 2 of Part-I of First Schedule to The Chartered Accountants Act, 1949). If answer is yes, should we have positive exceptions or negative exceptions?

Responses/views received - Sharing of fees may be opened up , except in case of attest functions .

NOCLAR (Responding to non-compliance with Laws and Regulations) - Section 225 and Section 360- have been inserted in International Code of Ethics in 2018.

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, who is a member of a Trust, cannot be the auditor of the said trust.
- A Chartered Accountant in practice may engage himself as Registration Authority (RA) for obtaining digital signatures for clients.
- A Chartered accountant can hold the credit card of a bank when he is also the auditor of the bank, provided the outstanding balance on the said card does not exceed Rs 10000 beyond the prescribed credit period limit on credit card given to him.
- A Chartered Accountant in practice is not permitted to accept audit assignment of a bank in case he has taken loan against a Fixed Deposit held by him in that bank.

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 .
- The Council of ICAI approved the KYC Norms which are mandatory in nature and shall apply in all assignments pertaining to attest functions.
- 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.

Tell me and I forget.

Teach me and I remember.

Involve me and I learn.

- Benjamin Franklin

THANK YOU !!

.....for helping me Learn