



Volume I

Code of Ethics



Volume II

CA. Rasika Date



Volume III



75 years of Trust

Icons of

- **Excellence, Independence and Integrity.**


Powered by **KNOWLEDGE** and driven by **VALUES.**



- ❖ **NFRA**
- ❖ **SOCIETY**
- ❖ **PMLA**
- ❖ **EXPECTATIONS OF PUBLIC AT LARGE**
- ❖ **AI**


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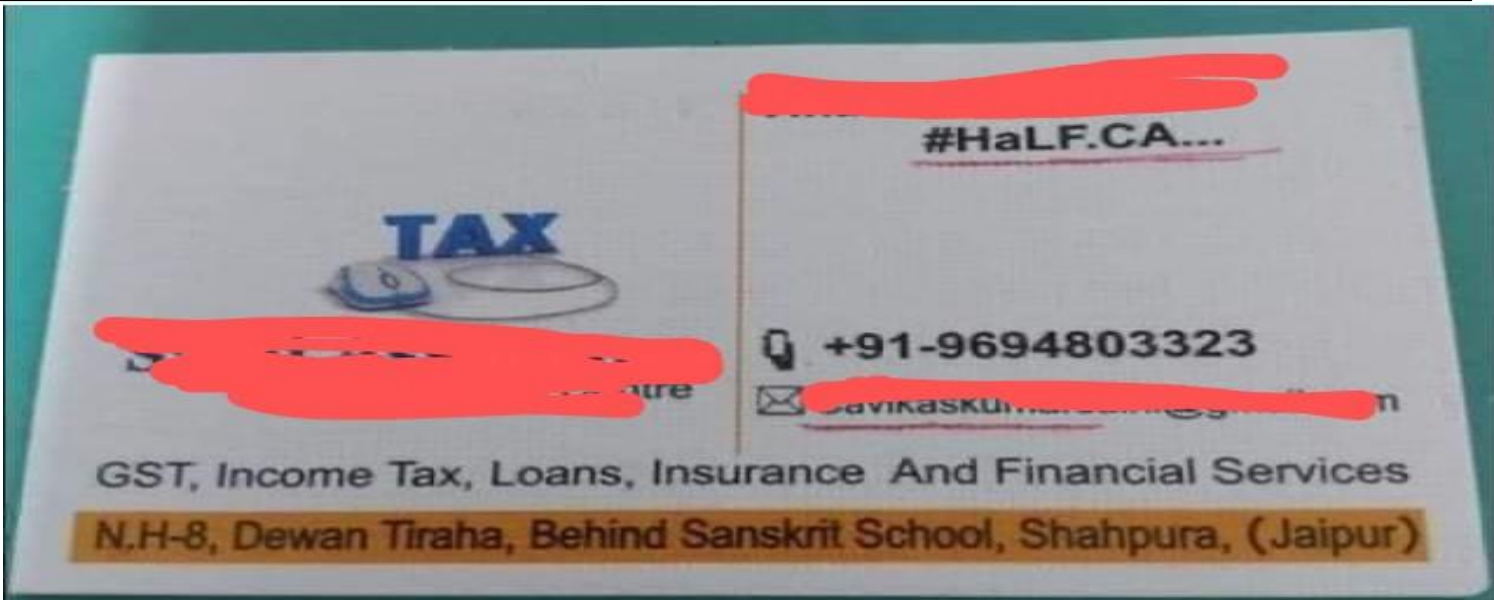


Anil Kr Vadey and 2 others

CA. S [REDACTED]

Certified Public Accountant in Vijayawada
Open today until 8:00 PM

MAKE APPOINTMENT



[REDACTED]

**&
ASSOCIATES**

CHARTERED ACCOUNTANTS

PATULI, KOLKATA 700094

Contact : 9903566599

Accounts, Audit, Income Tax
GST, MCA, Bank Loan with
all Attestation and Certification
assignments in a professional way

॥ जय माता दी ॥ - ॥ जय माता दी ॥

खुशखबरी खुशखबरी खुशखबरी

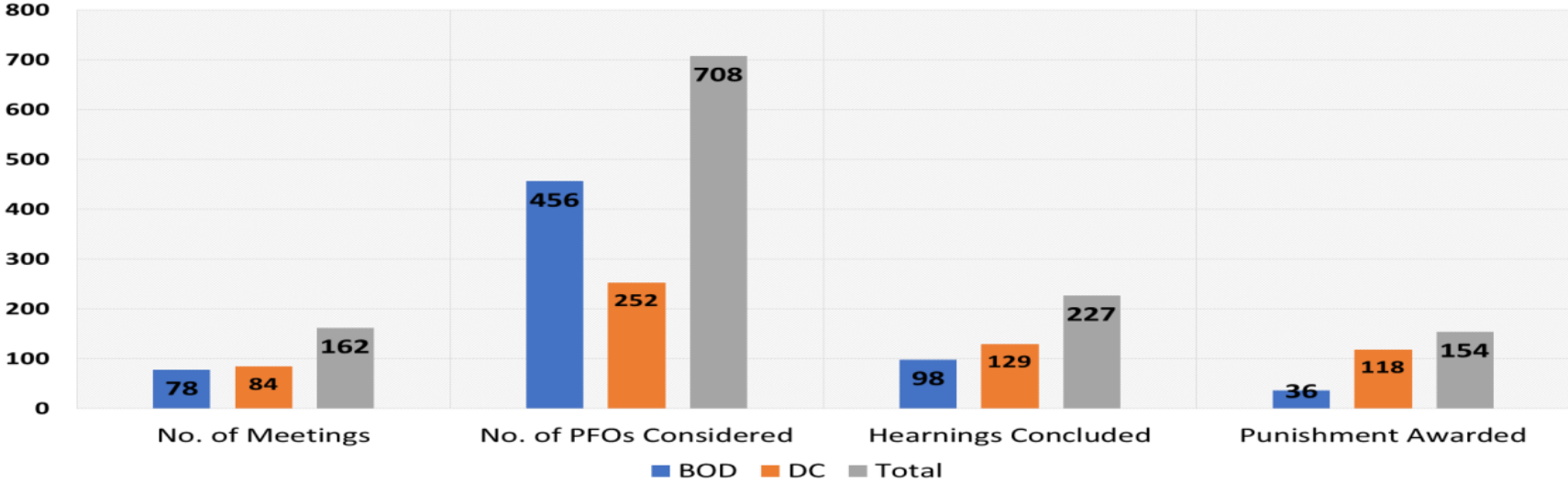
फ्री फ्री फ्री

भारत देश के सभी व्यापारी व दुकानदार भाईयों से निवेदन है कि किसी प्रकार का काम से सम्बन्धित समस्या, पूंजी की कमी, मानसिक परेशानी जैसे शंका, भ्रम, डर, भय इत्यादि की स्थिति जो कि अभी COVID-19 कोरोना समय में सारे संसार में ज्यों की त्यों बनी हुई है, हम भारत के निवासी होने के नाते हमारी [REDACTED], Chartered Accountant Team 100, आप लोगों के लिए तन, मन और धन के साथ सेवा, समर्पण, सहयोग की भावना से बिल्कुल फ्री में हर मंगलवार को सांय 4 pm to 6 pm के लिए मुफ्त की सलाह, सहयोग Accounts / Tax / Return / GST / Audit / New Carrier के लिए दी जा रही है।

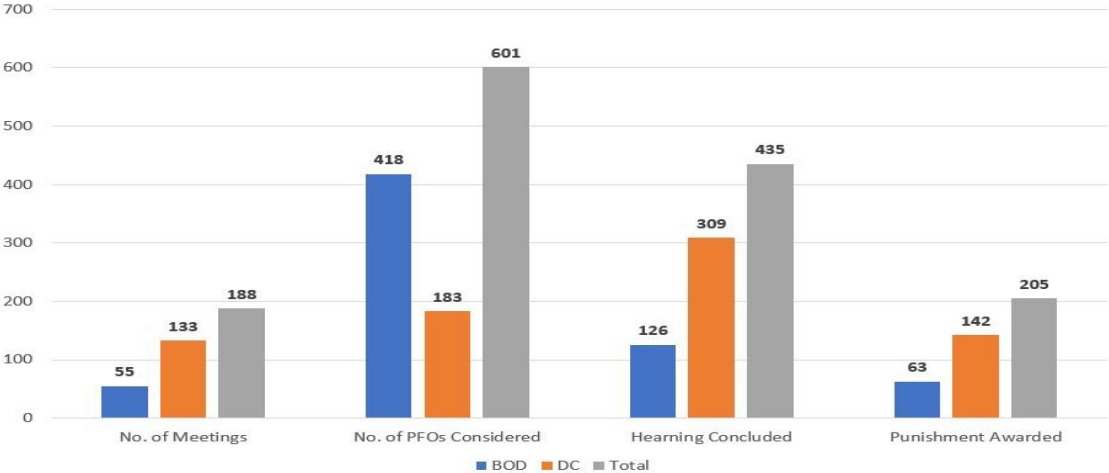
नोट : दुःखों का छुटकारा धन से नहीं सहयोग से होता है।

मिलने का पता : [REDACTED]
1543/60, Krishna Market, Near Lucky Tailor,
Manimajra, Chandigarh-160101
Contact No. 9417785703, 0172-5016703

Disposal of BOD/DC during 01-04-2022 to 30-06-2023



Disposal of BOD/DC during 01-04-2023 to 30-06-2024

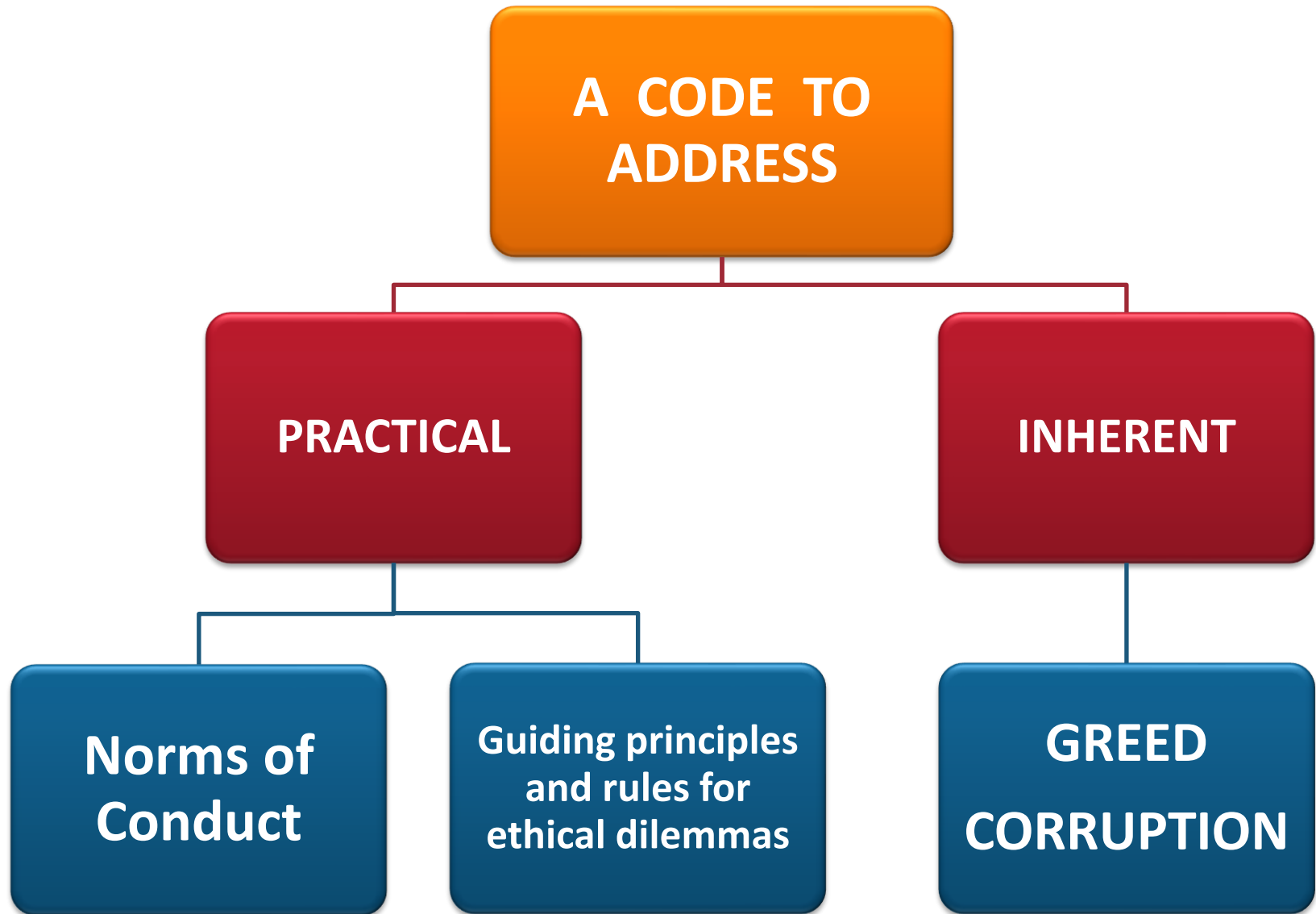


Recent Orders

- A Practicing CA certified SPICe+, SPICe MOA and SPICe AOA of the Company based on documents received through e-mail and had failed to verify original documents before attaching to the e-forms Held grossly negligent in the conduct of his professional duties while certifying incorporation documents of the Company.
- While certifying the e-Forms, failed to exercise due diligence and also failed to check that other directors were not eligible to sign the e-Forms as they were disqualified directors. Hence, the Professional Misconduct on the part of the Practicing CA
- Circulated on Whats App group a defamatory message about a GST officer, so held guilty of other misconduct by Board of Discipline
- Committed misappropriation of funds, forgery, cheating, criminal breach of trust by demanding the money for payment of GST however encashing the same for his personal benefits, and adjusting the tax payable with the Input Tax Credit accumulated.

- **Ethics** is the activity of man directed to secure the inner perfection of his own personality. (*Albert Schweitzer*)
- **Ethical Behaviour** is doing the right thing when no one else is watching- even when doing wrong thing is legal (*Aldo Leopold*)
- **Ethics** is knowing the difference between what you **have a** right to do and what **is** right to do (*Potter Stewart*)

Ref. www.brainyquote.com



**Relationship
with Clients**

**Compromise
Quality**

**Lack of basic
documentation**

**ETHICAL
DILEMMA**

- ❖ Unable to say 'No', too much of good faith
- ❖ **Compliance Accountants**
- ❖ Communication with previous auditor before accepting audit engagement
- ❖ **Poor Documentation**



OVERVIEW OF THE CODE, 2019

Part 1 Complying with The Code, **Fundamental Principles And Conceptual Framework (All Professional Accountants - Sections 100 to 199)**

Part 2
Professional Accountants In Service (Sections 200 to 299)

Part 3
Professional Accountants In Public Practice (Sections 300 to 399)

Independence Standards (Parts 4A and 4B)

Part 4A – Independence for Audit and Review Engagements (Sections 400 to 899)

Part 4B – Independence for Assurance Engagements Other Than Audit and Review Engagements (Sections 900 to 999)

GLOSSARY

Fundamental Principles

Integrity

- Straightforward and honest

Objectivity

- Unbiased and not under any influence

Professional Competence and Due Care

- Maintain professional knowledge and skill at required level. Practice diligence.

Confidentiality

- Not to disclose information to third parties without proper authority.

Professional Behaviour

- Avoiding action that discredits the profession.

Integrity

A professional should not be knowingly associated with (unless he has issued modified report)

- False or Misleading Statement or information,
- Information or Statement issued negligently,
- Omits important information which is misleading

Confidentiality

- ❖ Be alert to the possibility of inadvertent disclosure,
- ❖ Not disclose unless there is a legal or professional duty
- ❖ Not use confidential information for personal advantage
- ❖ Not use or disclose any confidential information after that relationship has ended

Threats

Circumstances which threaten compliance with Fundamental Principles

Self Interest

- Financial or other interest of the Professional or relative

Self Review

- When a previous judgment needs to be re- evaluated by the professional responsible for that judgment.

Advocacy

- Objectivity may be compromised.

Familiarity

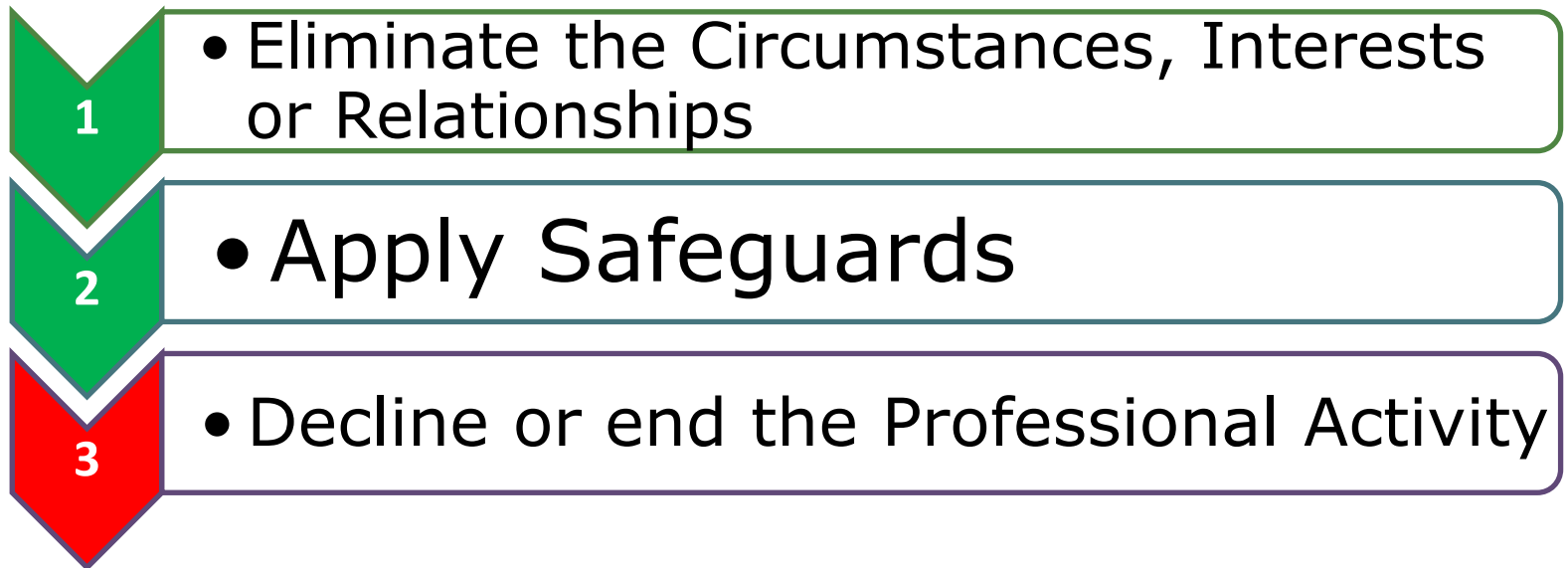
- Too much sympathy to the interests of others, due to a relationship.

Intimidation

- Actual or perceived threats, resulting as deterrents from acting objectively.

CONCEPTUAL FRAMEWORK

- Threats to Compliance with the Fundamental Principles



Some SAFEGUARDS (For Profession as a whole)

- UDIN applicability
- KYC (Know Your Client) Norms
(General Information, Engagement Information and Regulatory Information)
- Not accepting an audit assignment if any undisputed audit fees of another auditor are unpaid
- Not doing business in the name of wife or other family member
- Communication with Previous Auditor- in writing and not over telephone

NON COMPLIANCE OF LAWS AND REGULATIONS (NOCLAR) (Listed entities only, Audit Assignments only) w.e.f. **1st October, 2022**

Meaning

acts of omission or commission, intentional or unintentional, which are contrary to the prevailing laws or regulations

Committed by

- (a) A client or (b) Those charged with governance of a client or (c) Management of a client or (d) Other individuals working for or under the direction of a client.

Assessing the impact on Financial Statements and Identifying and responding to

- Fraud, Corruption, Bribery, Money Laundering, Data Protection, Environmental Protection, Public Health and Safety, Tax and Pension Liabilities and Payments

Applicable w.e.f. **1st October, 2022**

- **Fees Relative to Size**
- **Restriction on Taxation Services to Audit Clients**
- **Tax Return Preparation is allowed**
- **Following services allowed – only after the threats are eliminated**
 - a) Tax Calculation for preparing accounting entries
 - b) Tax Planning/ Other Tax Advisory Services
 - c) Tax services involving Valuations
 - d) Assistance in resolution of Tax Disputes

Some additional Provisions

- Prohibition on assuming Management Responsibility for an Audit Client
- Permission for providing advice and recommendation to management of Audit Client
- Providing following administrative services is **allowed**
 - a) Word Processing Services
 - b) Monitoring Statutory Filing Dates and advising
 - c) Preparing administrative and statutory forms for client approval
 - d) Submitting such forms as per instructions of the client.

PERMITTED

- A CA firm may register itself on Udyog Aadhar
- Internal Auditor of a Company can acquire/purchase shares of the company
- Two or more Chartered Accountants in practice can conduct a joint training session for their clients on GST and share the fees thereof collected from the clients
- CA in practice is allowed to engage himself as Registration Authority for obtaining digital signatures for clients
- A CA can hold credit card of a bank of which he is an auditor, provided outstanding balance does not exceed the limit of indebtedness.

Recent Decisions ESB



- The due diligence services may be provided by the Members/Firms.
- Members in practice can engage in the services assessment/performance audit of the centres of skill development council of Government of India
- A Member in practice can accept the assignment of Mystery Audit.
- A Member in practice can mention position as promoter/Director on the portal of a Company.
- A Member in practice can become professional director in the Board of Management of a Co-operative Bank.
- A Member can set up practice in IFSC/GIFT city and render professional services to IFSC units from offices outside IFSC.

Recent Decisions ESB



- Members in practice can charge fees on a percentage of utilization amount of an Educational Institute for certifying the amount (utilization) spent by an Educational Institute out of grant.
- A practicing Chartered Accountant holding Certificate of Practice can become a member of the 'Board of Management' in Primary (Urban) Co-operative Banks.
- A Chartered Accountant in practice can act as mediator in Court,
- It is permissible for a member in practice being a statutory auditor to be "Assurance provider of BRSR core" (Ref. SEBI circular dt. 12.07.2023) for the same client.
- Members in practice are permissible to accept the position of Honorary special invitee in Board of Studies of a University.



Recent Decisions ESB



- Member in practice **Can not** accept the appointment of statutory audit of the society wherein immediate family member i.e., spouse or dependent, of member hold honorary position of one of the managing committee of the institutes governed by the society.
- A Chartered Accountant in practice being Director Simplicitor in a Company **cannot** sign ROC Forms of the Company as it is a direct conflict of role.
- 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.
- Statutory auditor of an entity is **not permitted** to engage in assignment of compilation engagement, of that entity as per SRS 4410.



Recent Decisions ESB



- It is not permissible for member in practice being a statutory auditor to prepare Business Responsibility & Sustainability Reporting (BRSR) study to Audit Clients. However, he may provide advisory services on the same.
- The statutory auditor **cannot** provide investment counselling services to the audit clients as the same is not permissible in terms of the provisions of Companies Act, 2013.
- A Firm is not permitted to publish its vision or mission statement on letter head, visiting card or stationery etc.

RECENT AMENDMENTS

- Multi-Disciplinary Partnerships Partnership or LLP
- **Proposed New Model of Networking- LP Firm Network Model**
- ICAI (Merger And Demerger Of Ca Firms) Guidelines, 2024
- FAQs relating to professional ethics of members pertaining to Bank Assignments
- <https://resource.cdn.icai.org/59065esb48189.pdf>



EXPRESSLY PROHIBITED

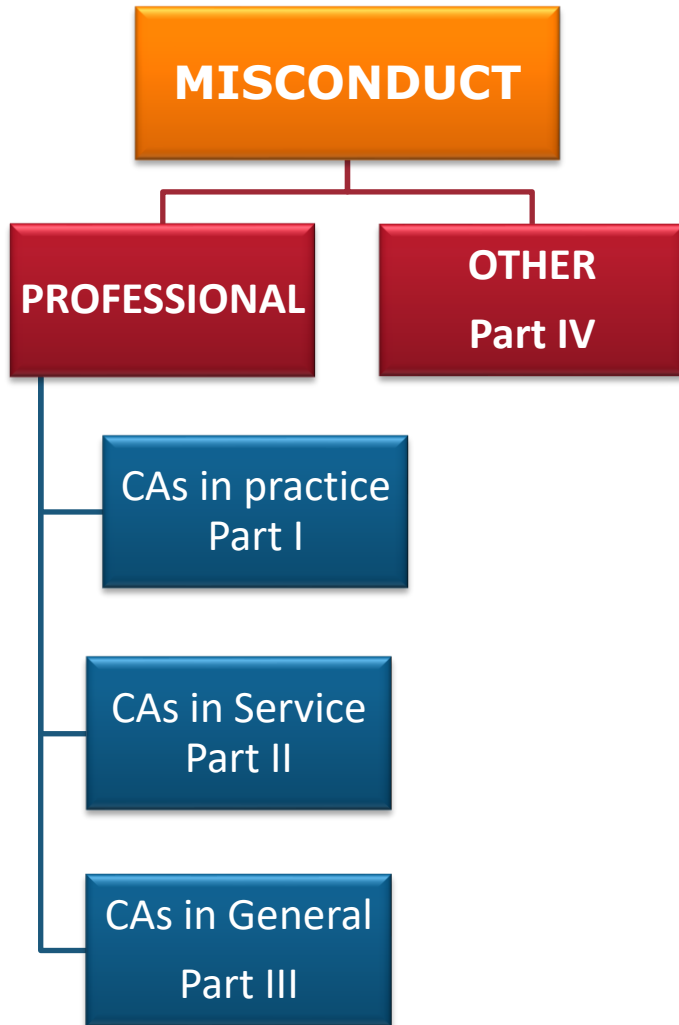
- Writing Books of Account for auditee clients
- Statutory auditor not to be the Internal Auditor simultaneously
- Internal auditor not to be the Tax auditor simultaneously
- Internal Auditor not to be the GST Auditor simultaneously
- Use of 'Whats App' to send messages to make people aware about his/her practice, and mention the services provided.
- Simultaneously undertaking Concurrent Audit and Quarterly Review of the same bank.
- Auditor of Subsidiary Company cannot be Director of Holding Company
- Prohibitions on providing recruiting services (Newly inserted in Code 2019)

EXPRESSLY PROHIBITED

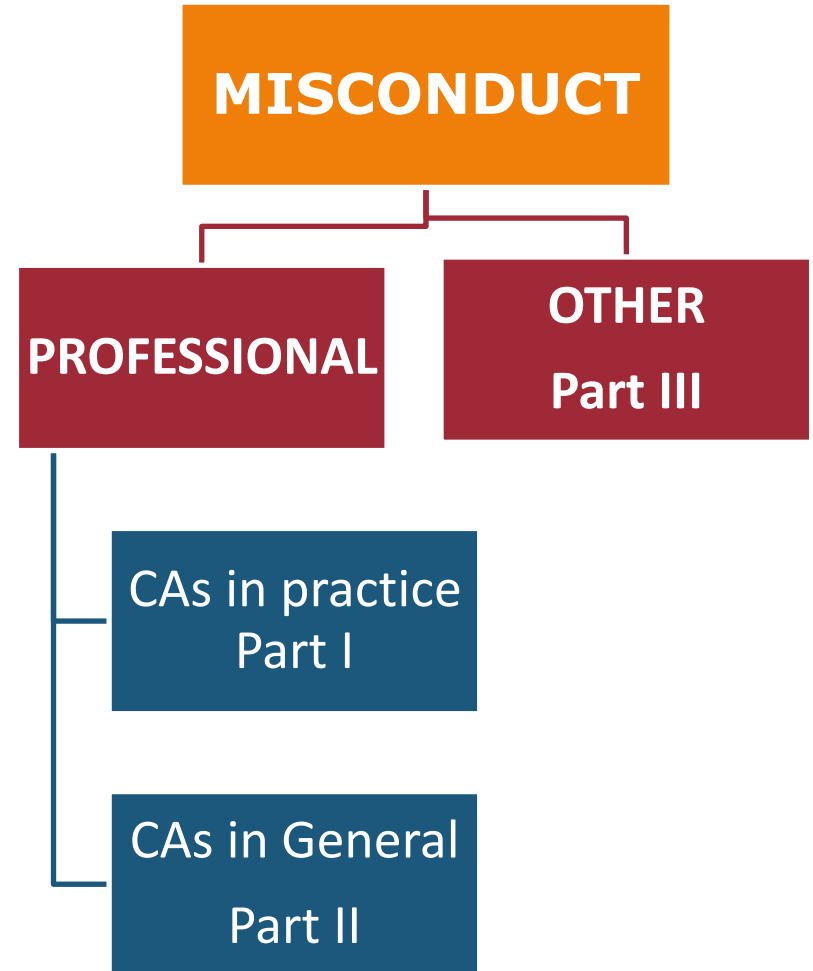
- Broking, Underwriting and Portfolio Management, Acting as Collection Agent, Recovery Agent, management of NRI Funds etc.
- Sponsorship of programmes other than those by POU of ICAI
- Printing on professional stationery 'Director in --- Company', 'Member of Political Party' etc.
- Use of messaging applications to send messages to make people aware about services provided

Schedules to Chartered Accountants Act 1949

- Schedule I



- Schedule II



CASE LAWS – CA HELD GUILTY

- Acting as Observer of exams of CA Institute in spite of having conflict of interest
- CA in Practice taking up employment in Company and furnishing false particulars in form for empanelment
- Issue of a confidential and private circular to clients where, in addition to describing himself as Chartered Accountant he also described himself as Investment Consultant and Public Accountant
- Signing Financial Statements without COP
- Taking loan/deposit from the firm in which articted clerk was interested

CASE LAWS – CA HELD GUILTY

- Not utilising the money given by the client to pay taxes within a reasonable period of time
- Writing letter to the Registrar of Cooperative Societies that he (CA) was empanelled auditor but no audit assignment was given to him
- Approaching through third person for appointment as Auditor
- Writing letter thanking the shareholders for appointing him as an Auditor
- Sending letters of change of address of firm to non-clients
- Advertisement of ‘Congratulations for opening of office’ by a CA

CASE LAWS – CA HELD GUILTY

- ❖ Giving wrong Net Worth Certificate, auditing the financial statements of a company without the signature of the Director of the Company on FS
- ❖ Certification of sales and projected figures with inflated amounts (SAE 3400)

ETHICAL DOs and DON'Ts

• ALLOWED

- Indicating in his/her book, article etc. the name of CA (with letters CA prefixed) and name of firm only
- Use of words 'Insolvency Professional' on visiting cards, letterheads etc.
- Writing the name (with letters CA prefixed) and name of firm on presentations (files having extension .pptx only) made on any platform including online mode
- Uploading videos of educational nature on internet

• PROHIBITED

- Indicating the names of other partners and other details of the firm or other designation like Co-ordinator etc. on such book, article etc.
- Use of any other designation or membership of any IPA
- Use his/her photograph , logo/ monogram of firm, on presentations made on any platform including online mode. Mention of mobile number
- Giving reference to name of the firm of Chartered Accountant in such video.

ETHICAL DOs and DON'Ts

- **ALLOWED**

- Publishing in local press details of a candidate passing C.A. examination
- Disclosing date of Establishment of practice on website on a pull request
- Appearance on TV, radio etc. and give lectures at forums
- Write up in press according to guidelines
- Practice as an advocate subject to permission of Bar Council

- **PROHIBITED**

- Any information resulting in advertisement of professional attainments
- Printing date of establishment of practice on letterheads, visiting cards etc.
- Reference to name, address of the firm and its services
- Advertisement in press
- Simultaneous use of words CA and Advocate

ETHICAL DOs and DON'Ts

• ALLOWED

- Printing Audit Report of a Client on his own (i.e. CA's) letterhead
- Advertisement in Yellow Pages published by Government Telephone Department
- A CA in practice can be Equity Research Advisor
- Put a sign board mentioning only the name of Coaching/Teaching Institute, contact details and subjects taught, outside the Coaching /Teaching premises.

• PROHIBITED

- Printing Balance Sheet of Client on his own (i.e. CA's) letterhead
- Displaying his name in Yellow Pages in Bold
- A CA in practice cannot publish retail report
- Advertising association with Coaching /Teaching activities through hoardings, posters, banners or by any other means.

ETHICAL DOs and DON'Ts



• ALLOWED

- Printing the name of website on letterheads etc.
- Disclosing nature of assignments handled on website of CA/ Firm only under pull request
- Can institute prizes, sponsorships etc
- Common Logo for CAs as per guidelines
- Can be a Settlor of a trust

• PROHIBITED

- Use of words 'visit us at www.xyz.com'
- Disclosing names of clients and fees charged, except where required by the regulator.
- Use of designation of CA with the prize etc.
- Self designed logo / monogram and monogram of the Institute
- Being agent of UTI, GIC or NSDL

ETHICAL DOs and DON'Ts

- **ALLOWED**

- Insurance Financial Advisory
- Sharing profits with widow of a deceased partner per partnership agreement
- A CA/CA Firm can act as the internal auditor of a company & statutory auditor of its employees PF Fund under the new Companies Act (2013).

- **PROHIBITED**

- Insurance Agent and arranging business for Insurance Company
- Sharing of fees between widow and purchaser of goodwill of a single member proprietary firm
- A CA who is the statutory auditor of a bank cannot for the same financial year accept stock audit of the branches of the bank or sister concern of the bank

ETHICAL DOs and DON'Ts

- **ALLOWED**

- Hold the office of a Managing Director, Whole-time Director or Manager of a body corporate engaged **exclusively** in rendering Management Consultancy and Other Services permitted by the Council (Prior Permission of Council is necessary)
- Provide consultation and advice through websites of Banks, Finance Companies etc.

- **PROHIBITED**

- Holding the position of Managing Director or Whole-time Director of a Body Corporate if s/he and/or her/his relatives hold substantial interest in such concern
- Providing Contact, address details of a Chartered Accountant on Websites of Banks, Finance Companies

ETHICAL DOs and DON'Ts

- **ALLOWED**

- Establishment of a TIN – FC, even under franchise from the other entity which is already a TIN – FC.
- Forming LLP with members of professional bodies like ICSI, etc. specified in Part I First Schedule to the Act

- **PROHIBITED**

- Permitting the use of firm name by client, mentioning the firm as a "Knowledge Partner" or in the "Thank You" advertisement
- Forming LLP/ Entering into partnership/ sharing profits with any other person not specified in the Act

ETHICAL DOs and DON'Ts

- **ALLOWED**

- Engaging in other occupation for which general permission is granted (eg. Owning agricultural land, do agricultural activity)
- Advertisement of Silver, Gold, Diamond etc. Jubilee celebrations of the firm of CAs

- **PROHIBITED**

- Engaging in other occupation for which special prior permission is required, (eg. Editorship of journals other than professional journals) without taking such permission
- Advertisement of professional attainments or services or expertise in any field

ETHICAL DOs and DON'Ts

• ALLOWED

- Obtain ISO and other certification for the firm
- Use of other designation which denotes a University Degree
- Printing additional qualification of the ICAI on visiting cards etc. eg DISA

• PROHIBITED

- Use of words ISO certified on professional etc. documents
- Use of words 'Management Consultant', Cost Accountant
- Use of words 'Information Systems Auditor', 'Corporate Lawyer', 'CPA' etc.

ETHICAL DOs and DON'Ts

- **ALLOWED**

- Acting as Recovery Consultant for recovery of NPAs of Banks
- Listing of website on Search Engine, intimation to Institute
- Appointment as Director Simplicitor, being Promoter of a Company with prior permission

- **PROHIBITED**

- Charging fee on percentage basis for such consultation
- Using field of search any field other than CA or Indian CA
- Accepting remuneration other than sitting fees, involving in activities other than attending meetings

References

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- <https://taxguru.in/chartered-accountant/multi-disciplinary-partnership-mdp-icaai.html>
- Photos Courtesy www.google.com and Erin Wallace's blog blogs.ubc.ca

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- <https://images.app.goo.gl/pnfF6KV4qCS67P6v7>
- <https://disc.icaai.org/>

