

Know Your Ethics*

Ethical Issues in Question-Answer Form

Q. Can a Chartered Accountant advertise his professional attainments or services?

A. Yes, after the 2006 amendment of the CA Act, a proviso has been inserted in Clause (7) of Part-I of the First Schedule as an exception to the provision of the Clause, which says 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. Thus, this is an exception to the provision of Clause (7), which says that a member shall be deemed to be guilty of professional misconduct, if he advertises his professional attainments or services. Here the attention is drawn to the Clause (6) of the Part-I of the First Schedule which says that if Chartered Accountant solicits clients or professional work either directly or indirectly by circular, advertisement, personal communication or interview or by any other means it would be treated as professional misconduct. So if proviso to Clause (7) and wordings of Clause (6) are compared, it appears that an impossible situation is created since Clause (6) prohibits advertisement and Clause (7) allows advertisement. However, there is no contradiction as in Clause (6) only the advertisement for soliciting of clients or professional work is prohibited. Thus other advertisements which do not solicit clients or professional work are not covered under this Clause. Whereas, Clause (7) prohibits Chartered Accountant from advertising his professional attainments or services, but the proviso permits to 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. Thus advertisement, in a limited way through a write-up, as per the Council Guidelines and not soliciting of clients or professional work is permitted. The Advertisement Guidelines of the Council (refer pages 309- 312 of the Code of Ethics, 2009) are as under:-

GUIDELINES FOR ADVERTISEMENT FOR THE MEMBERS IN PRACTICE

ICAI Guidelines No.1-CA(7)/Council Guidelines/01/2008, dated 14th May,2008

(Issued Pursuant to Clause (7) of Part I of the First Schedule to the Chartered Accountants Act, 1949.)

The Members may advertise through a write

up setting out their particulars or of their firms and services provided by them subject to the following Guidelines and must be presented in such a manner as to maintain the profession's good reputation, dignity and its ability to serve the public interest.

1. The Member(s)/Firm(s) should ensure that the contents of the Write up are true to the best of their knowledge and belief and are in conformity with these Guidelines and be aware that the Institute of Chartered Accountants of India does not own any responsibility whatsoever for such contents or claims by the Writer Member(s)/ Firm(s).

2. Definitions

For the purpose of these Guidelines:

- (i) The "Act" means The Chartered Accountants Act, 1949.
- (ii) "Institute" means the Institute of Chartered Accountants of India.
- (iii) "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.

(The terms not defined herein have the same meaning as assigned to them in the Chartered Accountants Act, 1949 and the Rules, Regulations and Guidelines made there under.)

3. The write-up may include only the following information:

(A) For Members

- (i) Name Chartered Accountant
- (ii) Membership No. with Institute
- (iii) Age
- (iv) Date of becoming ACA
- (v) Date of becoming FCA
- (vi) Date from which COP held
- (vii) Recognised qualifications
- (viii) Languages known
- (ix) Telephone/Mobile/Fax No.

* Contributed by the Ethical Standards Board of the ICAI

- (x) Professional Address
- (xi) Web
- (xii) E-mail
- (xiii) C A Logo
- (xiv) Passport size photograph
- (xv) Details of Employees (Nos. -)
 - (a) Chartered Accountants -
 - (b) Other Professionals –
 - (c) Articles/Audit Assistants
 - (d) Other Employees
- (xvi) Names of the employees and their particulars on the lines allowed for a member as stated above.
- (xvii) Services provided
 - (a)
 - (b)
 - (c)

(B) For Firms

- (i) Name of the Firm
Chartered Accountants
- (ii) Firm Registration No. with Institute
- (iii) Year of establishment.
- (iv) Professional Address(s)
- (v) Working Hours
- (vi) Tel. No(s)/Mobile No./Fax No(s)
- (vii) Web address
- (viii) E-mail
- (ix) No. of partners
- (x) Name of the proprietor/partners and their particulars on the lines allowed for a member as stated above including passport size photograph.
- (xi) CA Logo
- (xii) Details of Employees (Nos. -)
 - (a) Chartered Accountants -
 - (b) Other professionals –
 - (c) Articles/Audit Assistants
 - (d) Other employees
- (xiii) Names of the employees of the firm and their particulars on the lines allowed for a member as stated above.

- (xiv) Services provided:
 - (a)
 - (b)
 - (c)

The write-up may have the Signature, Name of the Member/ Name of the Partner signing on behalf of the firm, Place and Date.

4. Other Conditions

- (i) The write-up should not be false or misleading and bring the profession into disrepute.
- (ii) The write-up should not claim superiority over any other Member(s)/Firm(s).
- (iii) The write-up should not be indecent, sensational or otherwise of such nature which may likely to bring the profession into disrepute.
- (iv) The write-up should not contain testimonials or endorsements concerning Member(s).
- (v) The write-up should not contain any other representation(s) that may like to cause a person to misunderstand and/or to be deceived.
- (vi) The write-up should not violate the provisions of the 'Act', Rules made there under and 'The Chartered Accountants Regulations, 1988'.
- (vii) The write-up should not include the names of the clients (both past and present)
- (viii) The write-up should not be of font size exceeding 14.
- (ix) The write-up should not contain any information other than stated in Para 3 hereinabove.
- (x) The write-up should not contain any information about achievements/award or any other position held.
- (xi) The particulars of information required at para (ii) of 3(A) and para (ii) of 3(B) above is mandatory. ■

Corrigendum

In the answer of the question “*Whether a member can act as insurance agent and arrange business for the Insurance Companies?*” published in the May, 2011 issue at page 53 , the words “*No, a member is not permitted to render Insurance Financial Advisory Services.*” may be read as “*No, a member is permitted to render Insurance Financial Advisory Services only*”. The inconvenience is regretted.