

Announcement

Ethical Standards Board The Institute of Chartered Accountants of India

Sub.: Members in Practice listing themselves and their services with Online Application based service provider Aggregators

It has come to the notice of the Institute that members in practice are listing with certain online Application based service provider Aggregators, wherein other businessmen, technicians, maintenance workers, event organizers etc. are also listed.

As the members are aware, entries in respect of Chartered Accountants and Chartered Accountant Firms are permitted in the following circumstances:-

1. "Publication of Name or Firm Name by Chartered Accountants in the Telephone or other Directories published by Telephone Authorities or Private Bodies" (Pages 137 – 138 of Code of Ethics, 2009):-

"The Council has considered the question of permitting entries in respect of Chartered Accountants and their firms under specified groups in telephone/trade directories brought out by government and non-government agencies. It has decided to permit such entries subject to the following restrictions:-

- 1. The entry should appear in the section/category of 'Chartered Accountants'.*
- 2. The member/firm should belong to the town/city in respect of which the directory is being published.*
- 3. The entry should be in normal type of letters. Entry in bolder type or abnormal type of letters or in a box is not permissible.*
- 4. The order of the entries should be alphabetical and logical.*
- 5. The entry should not appear in a manner giving the impression of publicity/advertisement. Entry should not be given in a manner which gives prominence to it as compared to other entries.*
- 6. The payment, if any, for the entry should not be unreasonable.*
- 7. The entries should not be restricted and should be open to all the Chartered Accountants/firms of Chartered Accountants in the particular city/town in respect whereof the directory is published.*
- 8. Subject to the above conditions, the members can also include their names in trade directories which are published and/or otherwise available such as electronic media e.g. internet, telephone services like "Ask Me Services" etc.*

2. Advertisement Guidelines issued by Council under Clause (7) of Part-I of First Schedule to The Chartered Accountants Act, 1949 (appearing at pages 309 – 312 of Code of Ethics, 2009). The extract of these Guidelines is reproduced hereunder:-

"The Members may advertise through a write up setting out their particulars or of their firms and services provided by them subject to the Advertisement 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.

4. Other Conditions

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) [i.e Membership No. with the Institute] and para (ii) of 3(B) [Firm registration No. with the institute] above is mandatory.*

As it is clear, the purpose of both of these Guidelines is different, and accordingly, there is demarcation of what can be mentioned vide these Guidelines respectively. It has been noted that the Application based service provider Aggregators are having features which are not covered exclusively in any one of the above Guidelines. Further, these Application based service provider Aggregators are also having certain features which are not covered in both of the abovementioned Guidelines.

Therefore, it is not permissible for members to list themselves with such Application based service provider Aggregators.

Any failure to do so would be deemed as violative of the provisions of Clauses (6) and (7) of Part-I of First Schedule to The Chartered Accountants Act, 1949, resulting in professional misconduct, whether or not the professional services mentioned by them are actually provided through such Aggregators. The disciplinary proceedings would be initiated accordingly.