

1. GENERAL

1.1 Persons who are registered as articled / audit assistants in terms of the provisions of the Chartered Accountants Act, 1949 / Regulations framed thereunder (hereinafter referred to as "trainees" or "articled / audit trainees" as the case may be) should conduct themselves in accordance with the guidelines provided hereunder whilst undergoing practical training under the Chartered Accountants Regulations, 1988.

1.2 This Code of Conduct is mainly intended to govern students of Chartered Accountancy Course during the period of their Practical Training. Further, students pursuing the Professional Competence Course/ Integrated Professional Competence Course (IPCC) prior to registration for practical training and students who have completed their practical training but not yet passed the Final Examination should also follow the Code of Conduct and maintain decency/ decorum while dealing with the Members and general public.

2. CONDUCT OF TRAINEE

2.1 The articled/audit trainee should at all times during the period of the training diligently and faithfully serve the Employer as articled/audit Trainee in the practice of profession of Accountancy.

2.2 The articled/audit trainee shall follow the covenants contained in the articles or any of the Regulations of the Chartered Accountants Regulations, 1988, as may be applicable to him, from time to time.

2.3 The articled/audit trainee must be responsible for the work done in the course of practical training, either in the office of the Employer or in the offices of any of the clients of the Employer.

2.4 The articled/audit trainee shall not at any time during the said term destroy, cancel, obliterate, spoil, embezzle, spend, make away with or take copies of books, papers, plans, documents, monies, stamps or chattels whether belonging to the Employer or his personal representative(s) or assign (s) or partner(s) or clients of the employer which shall be deposited in his hands or which shall come to his care, custody or possession or allow any of the said good to be so treated by others.

2.5 The articled/audit trainee is expected to give full respect to the Employer and all the seniors of the firm of chartered accountants where he is undergoing the training and shall observe discipline and follow all rules and regulations of the firm both in letter and spirit.

2.6 The articled/audit trainee shall readily and faithfully obey and execute the lawful and reasonable commands of the Employer and shall not depart or absent himself from the training or employ of the Employer at any time during the said term without his prior written consent or that of his partners but shall at all times during the said term conduct himself with all due diligence, honesty and propriety.

2.7 The articled/audit trainee shall behave in a responsible manner as a prospective member of the profession, with

his colleagues, other staff members of his office, Employer's clients and their representatives, Institute's officials and employees and judicial, quasi-judicial and other authorities, wherever he represents the employer and others.

2.8 The articled/audit trainee shall lead a well-disciplined life which in turn shall endow him with impeccable character and help him to uphold ethical principles and professional Code of Ethics.

2.9 The articled/audit trainee shall not obtain any monetary help or assistance or any form of gratification directly or indirectly from the clients of the Employer, their officials or representatives without prior written consent of his Employer.

2.10 The articled/audit trainee shall make good and fully indemnify the employer for any loss or damage suffered or sustained by his misbehavior or improper conduct.

### 3. SECRECY

3.1 The articled/audit trainee shall at all times keep the secrets of the Employer and his partner or partners and of his or their clients and shall not divulge the names and affairs of such clients and Employers.

### 4. OFFICE TIMINGS

4.1 The articled/audit trainee shall always scrupulously observe office timings.

4.2 The articled/audit trainee shall ensure that he works for a minimum 35 working hours in a week and follows strictly the normal working hours applicable to him as decided by the Employer. He should also ensure he works for atleast 6 hours every day. In case six-day week is observed by his Employer, he may ensure that he works for atleast six hours everyday for five days and the remaining hours on the sixth day so as to fulfill the requirements. This period does not include lunch break and time spent on travelling to and from place of work.

4.3 Students while undergoing Articled Training, Orientation Programme, General Management and Communication Skills (GMCS) course and Information Technology Training (ITT) Programme should invariably maintain discipline and decorum apart from adhering to dress code.

(Prescribed Dress Code: Male Students: Full Sleeves Shirts and Trousers; Lady Student: Sarees/ Salvar Kurta/ Suit).

4.4 The articled assistants should undergo practical training in accordance with the Chartered Accountants Regulations, 1988 as explained hereinafter.

- The working hours for the articled assistants shall be 35 hours in a week excluding the lunch break.
- The office hours of the Principal for providing training to the articled assistants shall not be generally before 9.00 A.M. or after 7.00 P.M.
- The normal working hours for the articled assistants shall not start after 11.00 A.M. or end before 5.00 P.M.
- The working hours for the articled assistants should not exceed 35 hours in a week excluding the lunch break and normally an articled assistant be required to work during the normal working hours fixed for articled assistants.

- In case of the exigencies of work with the Principal, an articled assistant may be required to work beyond his/her normal working hours. However, under such circumstances, the aggregate number of working hours shall not exceed 45 hours per week. The requirement to work beyond 35 hours in a week should not be a practice but only in exceptional circumstances. Further, where the articled assistant is required to work beyond normal working hours, and aggregate of such hours exceed 35 hours per week, he/she shall be entitled to compensatory leave calculated with reference to number of completed working hours, over and above, 35 hours per week.

#### 4.5 Permission to pursue other courses

- During the working hours, the articled assistant is not permitted to attend college/ other institutions for pursuing any course including graduation. Accordingly, college timings of such course should not be such (after taking into account the time required to commute) which clash with the normal working hours of the articled training.
- To ensure that the working hours do not clash with the graduation or any other course, if any, pursued by the articled assistant, each articled assistant registered on or after 1<sup>st</sup> April, 2008 shall now be required to obtain specific permission from the ICAI for pursuing graduation or other course as permitted under the Chartered Accountants Regulations by submitting Form No. 112, within one month from the date of joining the college or course to the ICAI.
- The articled assistants registered prior to 1.4.2008 and undergoing graduation or any other course and who have obtained specific permission shall not be required to obtain the specific permission from the ICAI by submitting Form No. 112 and the permission so granted shall continue to be valid.
- The Certificate in Form No. 112 indicating college timings etc. shall be counter-signed by the concerned Principal of the college with the seal and stamp of the College and also indicating the telephone number/s and full address of the College.
- In case a student does not comply with the above requirements or violates any of the above guidelines, his/her articleship period shall not be recognized.

In this connection, attention is invited to the Regulations 65 and 66 read with Regulation 60 of the Chartered Accountants Regulations, 1988 which provide as under:-

Regulation 60: Working hours of an Articled Assistant

“ Subject to such directions as may be issued by the Council, the working hours of an articled assistant shall be 35 hours per week to be regulated by the Principal from time to time”.

Regulation 65: Articled Assistants not to engage in any other occupation

“Without the previous permission of the Council, obtained on application made in the approved form, no articled assistant shall, during the period of his service as an articled assistant, take any other course of study or training, whether academic or professional, or engage in any business or occupation”.

Articled Assistants may note that the Executive Committee has noted with concern that the students / articled

assistants have not been adhering to the requirements of the aforesaid Regulations while pursuing another course alongwith articleship and have been declaring such a fact while applying for enrolment as a Member of the Institute and seeking condonation for Breach of Regulation 65 /78 for having not taken the permission at the appropriate time.

The Executive Committee has noted that the additional course(s) has / have been pursued by the students / articled assistants in violation of the provisions of Regulation 65/ 78 and directed that all requests including cases for which condonation requests have been received be dealt with, in terms of the guidelines, provided herein below: -

Period of Delay	Condition(s) to be complied with by the student for condonation of delay in filing of Form 112.
Upto 1 year	Condone the breach of Regulation 65 and enroll, after three months, from the date of the meeting at which a decision is taken for condonation.
More than 1 year but upto 3 years	Condone the breach of Regulation 65 and enroll, after six months, from the date of the meeting at which a decision is taken for condonation.
More than 3 years but upto 5 years	Condone the breach of Regulation 65 and enroll, after one year, from the date of the meeting at which a decision is taken for condonation.
More than 5 years but upto 7 years	Condone the breach of Regulation 65 and enroll, after two years, from the date of the meeting at which a decision is taken for condonation
More than 7 years but upto 10 years	Condone the breach of Regulation 65 and enroll, after two years, from the date of the meeting at which a decision is taken for condonation as well as on completion of the three months' Residential Course
More than 10 years	Condone the breach of Regulation 65 and enroll, after three years, from the date of the meeting at which a decision is taken for condonation as well as on completion of the three months' Residential Course.

#### Regulation 66: Enquiries against articled assistant

- (1) Where a complaint or information of any misconduct or breach of Regulation 65 or breach of any of the covenants contained in the articles is received against an articled assistant from his principal or any other person, the President or the Vice-President, as the Executive Committee may decide from time to time, may cause an investigation to be made.
- (2) The Executive Committee may, on a consideration of the report of the investigation and after giving the articled assistant an opportunity of being heard, make any of the following orders, namely:-
  - i. direct that the papers be filed and the complaint be dismissed, if the Executive Committee finds that the articled assistant is not guilty of any misconduct or breach of Regulation 65 or breach of any of the covenants contained in the deed of articles; or
  - ii. if the articled assistant is found guilty, reprimand the articled assistant or cancel the registration of articles or direct that any period already served under such articles shall not be reckoned as service for the purpose of the period of practical training specified in Regulation 50.
- (3) The articled assistant, whose registration has been cancelled under this regulation, shall not, except with the permission of the Executive Committee, be retained or taken as an articled assistant or audit assistant by

any member.

## 5. LEAVE

5.1 The articulated/audit trainee will not remain absent from office without taking leave of absence from the Employer. The articulated trainee should ensure that he takes leave only after prior sanction by the Employer except in case of emergency which should be duly supported by reasonable explanation.

5.2 The articulated/audit trainee shall always give reasonable notice to his Employer of his intention to take leave and the leave will be governed by the provisions of Regulation 59/74.

5.3 Whenever the articulated/audit trainee wants to take leave for the purposes of preparing for examination of the Institute he shall ensure that the application for leave has been made atleast 15 days in advance.

5.4 The articulated/audit trainee shall ensure that the total leave taken by him during the period of articleship shall not exceed one-sixth of the total period of actual service, together with leave due under Regulation 59(2)/74(2).

5.5 The articulated/audit trainee shall apply to the employer for such leave for the purpose of tests or examinations or any other purpose as may be required. However, the entitlement of the leave shall not exceed the leave to his credit as per the Chartered Accountants Regulations, 1988. The employer may grant leave not earned subject to the provisions of Regulation 59(5)/74(5).

5.6. The articulated trainee who has taken leave in excess of the period of leave to which he is entitled under Regulation 59 shall be required to serve for a further period equivalent to the excess leave taken by him, in accordance with Regulation 58.

## 6. RECORDS MAINTENANCE

6.1 The articulated/audit trainee shall maintain such records, documents and papers as may be required by the Institute and the employer.

6.2 Diaries and Time Sheets: The articulated/audit trainee shall maintain diaries upto date in connection with the work done, in the form prescribed by the employer/firm, from time to time. In order to monitor training and work diary of the students, the Institute would introduce e-Diary/ e-Sankalan (Student's Work Diary) Online system aims to enhance the practical education and training of articulated trainees through a mechanism of capturing the work done by students, review by principal, alerts for due dates and monitoring at the Institute level with effect from April 1, 2011.

## 7. THEORETICAL EDUCATION AND OTHER PROGRAMMES

7.1. Students shall abide by all the rules of the Board of Studies, as may be in force from time to time during the period they undergo for theoretical education.

Wherever applicable, students should also complete the Computer Training Programme as specified by the Council, in the manner so specified.

7.2 Students attending classes organised by accredited institutions should satisfactorily comply with the requirements governing such classes and the tests conducted thereunder. In order to cater to the needs of students, the Institute has commenced its own Live Virtual Classes (LVC). Students may avail this facility at a reasonable registration fee all over India.

7.3 Students shall behave in an orderly manner in the examination hall and shall not resort to or attempt to resort to unlawful, unfair or illegal means for the purpose of passing an examination.

7.4 Before applying for membership of the Institute, the Articled/audit trainee who has completed Practical Training shall also attend the course on General Management and Communication Skills or any other course that may be specified by the Council from time to time and in the manner so specified.

## 8. SEMINARS/CONFERENCES, ETC.

8.1. Students are advised to attend seminars / meetings /workshops / conferences, meetings of study groups, organised by the Institute directly or through the Regional Councils/Branches, whenever they get an opportunity to do so and maintain proper records of the same in the diary maintained by them.

8.2. Whenever the articled/audit trainee wants to attend a conference, course or seminar organised by the Institute including a Regional Council or a Branch of Regional Council or a Students' Association for the benefit of students, and desires that the period of such attendance should be treated as period actually served under articles/audit service, he should get prior written consent of his Employer.

## 9. PERMISSION FOR OTHER ENGAGEMENTS

9.1 The articled/audit trainee shall not undertake any other course of study or training, whether academic or professional or engage in any business or occupation without obtaining the prior permission of the Council on application made in the prescribed form (Form No. 112). Such permitted engagements or occupation may include teaching upto specified hours, directorship in a limited company, sleeping partnership in a family business, subject to the guidelines specified by the Council from time to time.

## 10. PERMISSION FOR OTHER COURSES OF STUDY

10.1 The articled/audit trainee pursuing Chartered Accountancy Course should normally devote his time and attention exclusively to the successful completion of the course. However, a student registering as articled trainee after passing Group I of Integrated Professional Competence Course (IPCC) may pursue graduation course in addition to Chartered Accountancy Course with prior permission from the Institute. Such an articled trainee shall not undertake any other additional course of study till completion of the course permitted earlier.

10.2 In the case of other articled/audit trainees, they may, if they so desire, pursue one additional course of study out of the list of courses approved for this purpose, after obtaining permission of the Institute in the prescribed form (Form 112) by submitting an application.

## 11. STIPEND

11.1 An Articled trainee is entitled to receive a minimum monthly stipend as per the rates specified under the Chartered Accountants Regulations, 1988, from time to time. The articled trainee shall, therefore, open an account with any Bank for facilitating receipt of such stipend from his Employer.

## 12. TRANSFER OF ARTICLESHIP

12.1 The articleship deed is executed for three years period and normally articles are expected to continue for the whole term except when the articled trainee opts for Industrial Training under Regulation 51 or in the case of secondment, under Regulation 54. The articled trainee should not normally take transfer of articled service from one employer to another unless there are special circumstances to warrant such transfer. Articled trainee cannot terminate articles at will nor can he claim it as a matter of right. The articles can be terminated only with the Employer in accordance with the guidelines issued by the Institute in this regard.

The recent guidelines issued by the Council in respect of transfer/termination of articleship as per Regulation 56(1) of the Chartered Accountants Regulations, 1988 is given below: -

I. Transfer /termination of articles is permitted without any restriction during the first year of articles.

II. During rest of the articleship period on satisfying any one or more of the conditions as stated below: -

(i) 1. Medical grounds requiring discontinuance of articles for a minimum period of three months (on production of a Medical Certificate issued by a Government Hospital).

2. Transfer of parent(s) to another city.

3. Misconduct involving moral turpitude.

4. Other justifiable circumstances / reasons: -

(ii) Grounds already permissible in the Chartered Accountants Regulations, 1988 (on submission of requisite proof of the act warranting transfer/termination of articleship): -

a. Industrial Training (Regulation 51)

b. Secondment of articles (Regulation 54)

c. Conversion from PCC to IPCC (for termination of articles only. Re- registration of articles to be allowed only after passing Group-I of IPCC)

d. Death of Principal [Regulation 57(1)(c)]

e. Ceasing of practice by the Principal [Regulation 57(1)(a)]

f. Removal of name of the Principal from the Register of Member due to any reason [Regulation 57(1)(b)]

(iii) Marriage basis (only if there is relocation to another city involving distance of 50 kms).

(iv) Irregular payment or non payment of stipend with reference to Regulation 67.

(v) Articled assistant desires to serve balance period of training outside India.

(vi) Shifting by the Principal to another city involving distance more than 50 kms.

The articled assistants are required to get the consent of the Institute before getting Form 109 signed by the Principal in their own interest.

The request, on any one or more of the aforesaid grounds, of an articled assistant on a plain paper alongwith the recommendation/ consent of the Principal for transfer / termination of articleship accompanied by evidence/proof (self-attested by the articled assistant) to the satisfaction of the Institute be made. Request for transfer not accompanied by consent of Principal shall not be accepted.

In case of dispute between principal and articled assistant, the matter be settled amicably among the articled assistant and the principal concerned and the Institute shall not interfere in such cases.

12.2 In case of termination by mutual agreement, the articled trainee may enter into fresh articles for the reminder term of his service in accordance with Regulation 57.

### 13. MISCONDUCT

13.1 Non - adherence to the above guidelines would be construed as Misconduct and lead to action against the articled/audit trainee in accordance with Regulation 66/79. In case of other students, the Board of Studies may take appropriate action having regard to the circumstances.

13.2 Where a complaint or information of any misconduct or breach of any of the guidelines contained in this Code of Conduct or any of the Regulations, contained in the Chartered Accountants Regulations, 1988 or any of the covenants contained in the Deed of articles is received against any articled trainee from his Employer or any other person, the same may be investigated as per Regulation 66/79 of the Chartered Accountants Regulations, 1988.

### 14. CONSEQUENCES OF MISCONDUCT

14.1 The Executive Committee, may, on a consideration of the report of the investigation and after giving the articled/audit trainee an opportunity of being heard make any of the following orders, namely -

(i) direct that the papers be filed and the complaint be dismissed, if the Executive Committee finds that the articled / audit trainee is not guilty of any misconduct or breach of Regulation or breach of any of the covenants contained in the articles, or

(ii) if the articled/audit trainee is found guilty, reprimand the articled / audit trainee or cancel the registration of articles / audit service or direct that any period already served under such articles / audit service, shall not be reckoned as service for the purpose of the period of practical training as specified in Regulation 50 / 71 or cancel the results of examination or debar the articled/audit trainee from taking any of the Institute's Examination for a specified period or take such other appropriate action as it may deem fit, pending the consideration of the investigation report and the final decision.

Provided, in appropriate cases, the Executive Committee, after giving an opportunity of being heard to the articled/audit trainee, may pass an interim order including suspension of the articleship training or cancellation of the audit service or withholding the result of examination or such action as it may deem fit pending the consideration of the investigation report and final decision.

14.2 The articled/audit trainee, the registration of whose articled or audit service has been cancelled under the regulations, shall not except with the permission of the Executive Committee, be retained or taken as an articled/ audit trainee by any member.