

Press Release

ICWAI DEMANDS DROP “CHARTERED” FROM ICAI

New Delhi: 15th Dec 2011

The President and members of the Council of the Institute of Cost and Works Accountants of India express their utmost unhappiness on the passing of the ICWAI Amendment Bill in the Rajya Sabha on 12th Dec 2011, by which the name was proposed to be changed to the Institute of Cost Accountants of India. Our Institute strongly objects to the move by the sister professional body in interfering the activities of the another professional body to encourage foreign management accounting bodies to establish their presence in India to the detriment of Indian professionals. The Hon'ble Minister in his reply to the debate in Rajya Sabha also questioned ***“After independence, why a colonial name like Chartered should be there. You know, this is a matter which is left to the Chartered Accountants of India to consider.”***

We also demand that in the post independence era let the Government also change the name of the Institute of Chartered Accountants of India into some other name or remove the name “Chartered”. While for this the Government feels that it is the matter which has to be taken up by the Chartered Institute, in our case we find that without our consent our name is proposed to be changed at the behest of The Institute of Chartered Accountants of India. The dominant position enjoyed by the Chartered Accountants are taken advantage by that Institute in creating block for a sister professional body which is catering to the youth to get a professional accounting qualification while working in whatever employment they are already in, to further their growth prospects.

The Institute of Chartered Accountants of India have been continuously interfering with the name change of our Institute, objecting to the name by which the similar cost accounting bodies across the globe are called. Unfortunately, due to their dominant position which was recognized even in the Report of the Standing Committee of Parliament, our genuine request is not heeded by the Government. In the Rajya Sabha's debate during the Bill many Honourable Members commented that the entry of foreign consulting firms through surrogate Indian audit firms should not be encouraged. They also commented that ***“That is why it is quite possible that money is illegally taken by some entities to foreign countries with the advice and superb consultancy with the Chartered Accountants That is why along with the quantity of Chartered Accountants the professional ethics in this country,***

unfortunately, are declining very fast and sometimes feel that it is going to the point beyond no repairs.” In another statement in the same debate Honourable members commented “Now in the recent 2G scam, you will be surprised to know that in all the cases of all these companies, whatever certificates were given by the auditors that their authorized capital is this much and paid up capital is this much, were false. They got the license on the basis of false certificates issued by the auditors. It is a very serious issue Sir”.

The growth of membership as well as students in the past five years of ICWAI has been phenomenal with the growth rate of 30% every year. The students are growing at the rate of more than 50% in recent years. This shows that the youth of the country have recognized that a major opportunity lies in acquiring a professional qualification. In all the cases which was mentioned in the Rajya Sabha debate the Chartered Accountancy profession was targeted but ultimately the punishment was handed over to the Cost Accounting profession which has no role in these scams. Through this exercise, the Institute of Chartered Accountants of India have enabled foreign management accounting bodies to establish their presence in India. Indirectly this is creating a position of dominance for the Chartered Accounting Institute, which goes against the principles the Government is trying to establish through the Competition policy.

The 50,000 members and 4,00,000 students all over the country are pained due to this unfortunate development. The Central Council Members, Office Bearers of the Regional Councils & Chapters of the Institute have started to send their resignation to the President as a mark of protest against this unfair activity of the Institute of Chartered Accountants of India in preventing the just demand of our profession.

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