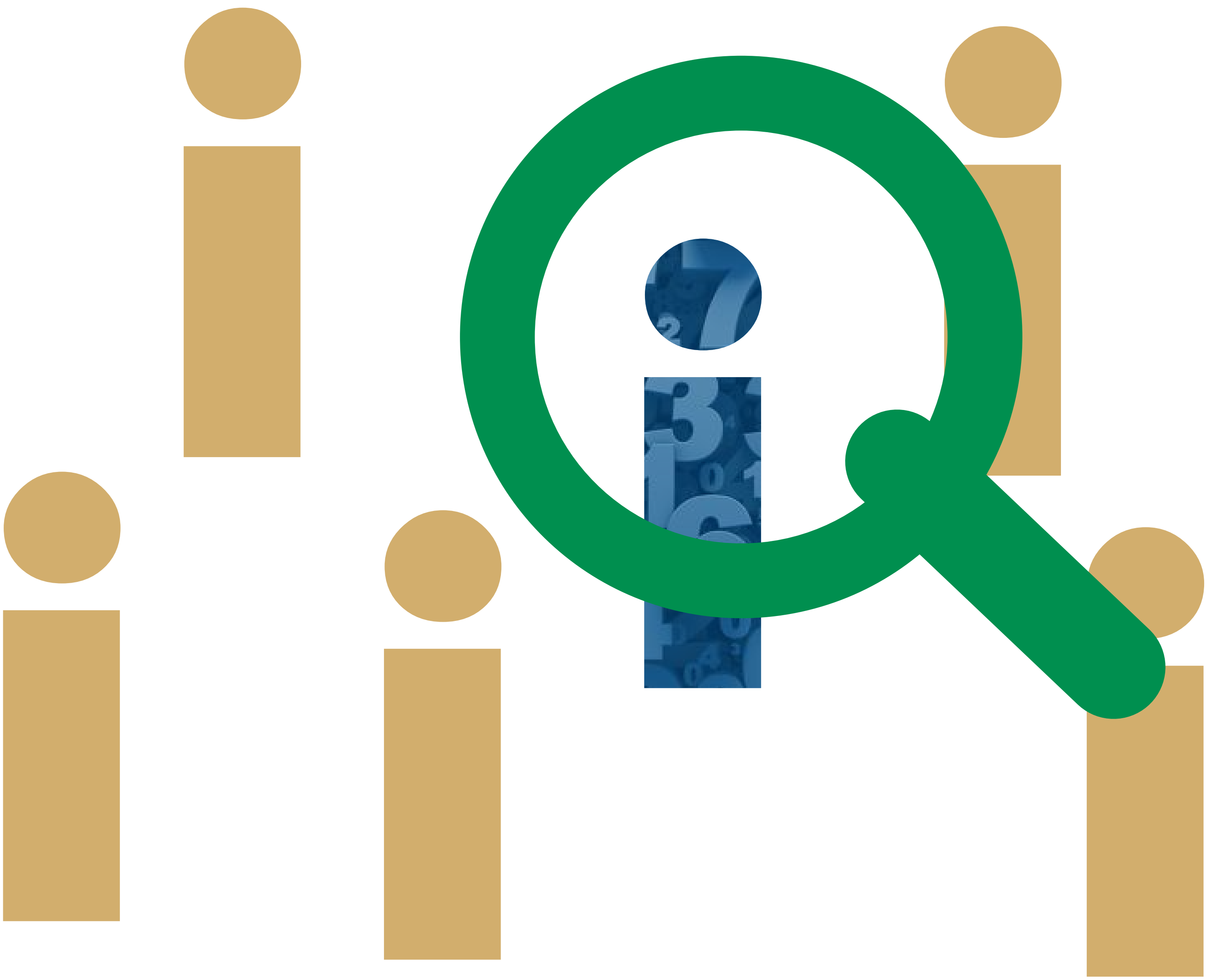
Quick Insights
on Professional Opportunities for Chartered Accountants



Professional Development Committee
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

www.icai.org

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Foreword

Foreword

Indian accountancy profession has grown multi-fold creating landmarks. Domain of accountancy professionals has also broadened, spreading the identity of ICAI within and beyond our national premises. ICAI is relentlessly engaged with the policies and initiatives of the Government with utmost diligence and have made effective contribution to them, which mainly included the implementation of Goods and Services Tax (GST), Indian Accounting Standards (converged with IFRSs), and Insolvency and Bankruptcy Code. Through its institutional endeavours and the contribution of its membership, ICAI has been actively carrying out its responsibilities in various sectors of economy.

I am pleased to note that Professional Development Committee of the Institute of Chartered Accountants of India (ICAI) has brought out the publication 'Quick Insights on Professional Opportunities for Chartered Accountants" with an aim to provide information to members intending to go for different professional forays. While there is information galore, a need was felt to have quality and precise information which is of relevance and utility and to that extent, this publication would serve as one point reference for referring important information.

At this juncture, I wish to place my appreciation for **CA. Ranjeet Kumar Agarwal**, Chairman; **CA. Nihar Niranjan Jambusaria,** Vice-Chairman and other members of Professional Development Committee for bringing out this publication for CAs in practice.

CA. Naveen N. D. Gupta
President, ICAI
February 1, 2019
New Delhi

Message

Today, in the changing investment climate, India offers exciting business opportunities in virtually every sector of the economy and the Institute is making all efforts to explore and exploit all available and potential opportunities whereby newer avenues for professional development and growth may be assured for the Institute's members.

A need existed for providing information in the form of ready reckoner to potential aspirants for tapping such emerging opportunities. Fulfilling this void, Professional Development Committee of ICAI has come up with the Publication on **"Quick Insights on Professional Opportunities for Members"**.

At the juncture, I would like to place on record my congratulations to **CA. Ranjeet Kumar Agarwal**, Chairman, **CA. Nihar Niranjan Jambusaria**, Vice Chairman and other members of Professional Development Committee of ICAI for their continuing pro-active initiatives to facilitate the members.

I am sure that membership at large will benefit immensely from this publication.

CA. Prafulla P. Chhajed
Vice-President, ICAI
February 1, 2019
New Delhi

Preface

Preface

Professional Development Committee (PDC) a non-standing committee set up by ICAI is exclusively dedicated to the cause of exploring, developing and facilitating opportunities for the Indian Chartered Accountants in various sectors of Business, Trade, Commerce, Services, Infrastructure & Governance etc. Its aim is to ensure that such opportunities remain available equitably to all Chartered Accountants depending on their professional abilities and attributes.

Recently it has been witnessed various trending areas where Professional Opportunities are emerging which include RERA, Ind AS, Companies Act, 2013, Artificial Intelligence, Blockchain, Cyber Security and Data Analytics (ABCD of Technology), Robotics Process Automation,

GST, Insolvency & Bankruptcy Code 2016, Registered Valuers, Forensic Audit, International Taxation, World Bank Projects and many more and on the other hand the total no of Practising Chartered Accountant are only 1,25,000 out of the Strong Membership of ICAI of approx. 3,00,000 Members. Moreover Indian Economy is bound to grow to the level of 5 Trillion Dollars in next 5-7 Years from presently 2.6 Trillion Dollar.

It was also felt that there are many emerging avenues and empanelment opportunities available for Chartered Accountants but many of them are not aware. With an aim to provide heightened focus on number of such available avenues and important contact links, the Professional Development Committee has brought "Quick Insights on Professional Opportunities for Chartered Accountants" which will be very helpful to all Practising Members to know the emerging areas of practice at one place for their ready reference.

We are thankful to all the members of PDC Group constituted at Kolkata for their valuable contribution (**CA. Krishanu Bhattacharya, CA. P. D. Rungta, CA. Joy Debnath, CA. Neha Agarwal, CA. H. K. Verma, CA. Pankaj Verma, CA. Kamal Bagrodia, CA. Partha Ray, CA. Rajkumar Kothari, CA. Sanjit Kumar Burman, CA. Sanjeeb Kumar Agarwal & CA. Rishi Khator**) for bringing out such a crisp Publication. We also place on record our special thanks to **CA. Rakesh Singhi** and **CA. Sarang Juthani** for their contribution in research and compilation of the Publication.

We also express our sincere thanks to **CA. Naveen N. D. Gupta,** President, ICAI and **CA. Prafulla P. Chhajed**, Vice-President, ICAI under whose vision and guidance we have been privileged to contribute in the activities of the Committee. Further we also thank all the members of PD Committee for their untiring support.

We would also like to place on record the hard work done by PDC Secretariat led by **Ms. Seema Gerotra**, Secretary, PDC and her team in bringing out this Publication.

We hope that this publication would be useful for our Members.

CA. Nihar Niranjan Jambusaria
Vice-Chairman, PDC
February 1, 2019
New Delhi

CA. Ranjeet Kumar Agarwal
Chairman, PDC

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Introduction

ABOUT ICAI

The Institute of Chartered Accountants of India (ICAI) is a statutory body established by an Act of Parliament, viz., The Chartered Accountants Act, 1949 (Act No. XXXVIII of 1949) for regulating the profession of Chartered Accountancy in the country. ICAI is the one amongst accountancy bodies in the world, with a strong tradition of service to the Indian economy in public interest. Over a period of time, ICAI has achieved recognition as a premier accounting body not only in the country but also globally, for maintaining highest standards in technical, ethical areas and for sustaining stringent examination and education standards. Since 1949, the Chartered Accountancy profession in India has grown leaps and bounds in terms of:

- Members and student base
- Regulating the Profession of Accountancy
- Education and Examination of Chartered Accountancy Students
- Professional Development of Members
- Continuing Professional Education of Members
- Conducting Post Qualification and Certificate Courses
- Formulation of Accounting Standards
- Prescription of Standard Auditing Procedures
- Laying down of Ethical Standards
- Monitoring Quality through Peer Review
- Ensuring Standards of performance of Members
- Exercise Disciplinary Jurisdiction
- Financial Reporting Review
- Input on Policy matters to Government

ABOUT PROFESSIONAL DEVELOPMENT COMMITTEE

Professional Development Committee (PDC) a non-standing committee was established in1962 with the mission to explore and develop opportunities for the use of the professional talents and skills of Chartered Accountants in different sectors of the world of business. The Institute is making all efforts to explore and exploit all available and potential opportunities whereby newer avenues for professional development and growth may be assured for the Institute's members and also ensure that existing opportunities of professional developments are fully utilised and maintained at equitable and growth-oriented levels.

Professional development committee in its efforts to explore the unchartered areas for professional opportunities interact with the Government, regulatory authorities etc. requesting them to avail the expertise of the Chartered Accountants and utilize their services in various areas.

MAJOR INITIATIVES OF COMMITTEE IN THE YEAR 2018

Software for Selection of Statutory Bank Branch Auditors

The Institute has over the years expressed its concerns on the issue of appointment of auditors of Public Sector Banks by the Banks' Board themselves.

A number of meetings were held with the Ministry of Finance and Reserve Bank of India regarding the use of web based application so designed by ICAI for selection and allotment of Statutory Auditors of Public Sector Banks (PSBs) by randomly mapping and associating with the vacancies available in the PSBs. Last year also it was utilized by 3 banks which was highly appreciated.

This year majority of Banks has taken the demo on software and has expressed their consent for using the same.

With the usage of software so developed by ICAI, we are sure that ICAI's concern of autonomy lying with the Banks for selection of Bank Branch Auditors will be addressed thereby making the process of allotment uniform apart from being fair, transparent and equitable.

Unique Document Identification Number (UDIN)

In many instances, documents are being certified/attested by third person(s) misrepresenting as Chartered Accountant members which misleads various authorities/other stakeholders who rely upon them thereby maligning the Chartered Accountant profession.

An innovative concept of Unique Document Identification Number (UDIN) has been developed by PD Committee of ICAI to address the issue of fake certification. Through UDIN, the Regulators/Banks/third parties will be able to verify the authenticity of the documents/reports/certificates issued by Chartered accountants. UDIN is a unique number, which will be generated for every document/report/certificate scertified/attested by Practicing Chartered Accountants and registered with the UDIN (https://udin.icai.org/).

All Certificates have been made mandatory as per the Council decision taken at its 379th Meeting held on 17th-18th December, 2018 in following phases:

- All Certification done by Practising CAs w.e.f. 1st Feb., 2019.
- All GST & Tax Audit Reports w.e.f. 1st April, 2019.
- All other attest functions w.e.f. 1st July, 2019

Partnering with NITI Aayog For Launching "Women Entrepreneurship Platform (WEP)"

A MoU has been recently signed between ICAI and NITI Aayog. ICAI has agreed to be one of the partners with NITI Aayog in its recent initiative of launching Women Entrepreneurship Platform (WEP) to realize the entrepreneurial aspirations of women from different parts of India.

To support the initiative, ICAI will provide a panel of Chartered Accountants to offer their services to ensure that such women entrepreneurs fulfil various statutory compliances, ICAI can arrange for venues at auditoriums of Regional Councils and Branches, free of cost for conducting different workshops by NITI Aayog. Faculty support/Resource persons would be provided by ICAI to take sessions during the said workshops and can support in vetting the content of various publications related to finance and accounts published by NITI Aayog.

E-Learning Modules - Infosys Finacle

To set up a benchmark in Bank Audits the technical expertise of Finacle, Infosys have been utilized wherein they have provided 7 e-Learning Modules (in 12 videos of 120 minutes duration) on Finacle customized for Bank Audit for Chartered Accountants. The above Self e-learning Modules are being made available online to the members for a period of one year.

Panels Submitted

The panels of Chartered Accountants/Firms were provided to RBI, NABARD and various other authorities such as SEBI, Banks, State Co-operative Societies, State Government etc., as per the criteria specified by them.

PD Knowledge Portal

PDC has developed the Professional Development Portal. The Knowledge Portal i.e., PD Portal (www.pdicai.org) has been conceptualized with an aim to provide members with all the information that they need to enrich their own practice so as to provide value-added servicesto their clients.

Concerns Related To Tendering For Audit Services

- A meeting was held with Shri K. V. Chowdary, Chief Vigilance Commissioner on 29th May, 2018 to discuss various concerns and suggestions of ICAI related to tendering process. During the meeting, it was expressed that the present practice of evaluating tenders for awarding the work for professional services (audit service) is on the Least Cost Selection (LCS) System. It was expressed that the lowest cost does not guarantee the requisite level of quality of the work assigned and was suggested that the process of selection requires modifications especially for hiring the professional services keeping evaluation criteria on Quality Control Based Selection.
- **High Court Order on Tender Guidelines:** To monitor the tendering system for attest functions, Council had issued a notification dated 7th April, 2016 which states that a member of the Institute in practice shall not respond to any tender issued by an organization or user of professional services in areas of services which are exclusively reserved for chartered accountants where minimum fee of the assignment is not prescribed. Recently, Punjab and Chandigarh High Court in a petition filed against the Punjab State Cooperative Supply& Marketing Federation Limited (MARKFED Punjab) directed the MARKFED *"any tender process for availing services which are exclusively reserved for Chartered Accountants such as audit and attestation services would ensure compliance of the Notification dated 07.04.2016 issued by the Institute of Chartered Accountants of India and the tender notice to be issued in the future would be construed as valid only if it falls within the exception carved out in the Notification itself."*

Concurrent Audit In State Bank of India (SBI)

Concurrent Audit in State Bank of India (SBI) to be done by Chartered Accountants as was being done by the retired/bank employees in the past.

Mutual Fund Audit by MEF Panel by Securities and Exchange Board of India (SEBI)

This year, for the first time, Securities and Exchange Board of India (SEBI) sought panel of Chartered Accountant firms/ LLPs from ICAI for inspection of mutual funds brokers wherein SEBI will be is paying the Audit Fees to the Auditors itself.

Reports Finalized for Recommendation to Reserve Bank of India (RBI)

(a) Ghosh and Jilani Committee

The recommendations of the Ghosh and Jilani Committee Reports which are being broadly followed by the Banks, for reviewing the internal control, inspection and audit system in banks and to enquire into various aspects of frauds and malpractices being very old required a review. Accordingly, the reports for recommendation to RBI have been finalized.

(b) Concurrent Audit Report

To submit the concrete proposal defining the scope, reporting formats etc. and to strengthen the Concurred Audit the report has been finalized for submission to RBI.

ABOUT PUBLICATION

Chartered Accountants may start professional practice as a proprietor or join any existing firm as a partner or paid assistant. A Chartered Accountant has been entrusted with substantial responsibility under various legislations such as compulsory audit of the accounts of all companies, banks, cooperative societies, stock brokers, big income-tax assessees, large bank borrowers, etc. A Chartered Accountant also provides compilation and review services as and when required by enterprises. While practising as an independent professional, a Chartered Accountant also acts as a business advisor by providing all kinds of services including the preparation of financial reports, helping the business to secure loans, preparing financial projections showing how the loans will be repaid, and determining the viability of business. As a tax advisor, Chartered Accountant helps business and individuals to comply with tax laws and represent his clients before government agencies.

IN GLOBAL SCENARIO

Today, the Indian Chartered Accountancy qualification is well recognised in many countries as Indian Chartered Accountants are taking up attractive global careers. Indian CAs are highly sought because of their skill sets and high quality of education. The opportunities are simply ever increasing. Today, huge opportunities are available for professionals with specialized knowledge and skills sought by global organizations. These include areas of globally accepted financial reporting, national and international taxation, finance and corporate law. The knowledge of local laws and regulations, of course, places Chartered Accountants in a stronger position to supply services to global organizations entering the Indian Market.

This Publication is an endeavour to jot down the emerging opportunities available to Chartered Accountants which they can avail as per their interest for their professional growth.

History of Accountancy

HISTORY OF ACCOUNTANCY PROFESSION

Chartered Accountancy is the hallmark of the excellence, precision, quality and commitment. Chartered Accountants have evolved as a professional group with new concepts and procedures to meet the varied demand made by society on their skills. It is imperative for us to broaden our ambit and keep ourselves well acquaint with various developments. But, before we move ahead to explore the world of uncountable emerging opportunities, let's know our roots, i.e., how the Institute, our *alma mater* came into existence and its journey and service of past 69 years to the nation.

1999

The origin of accountancy can be traced to the pre-Vedic period. The existence of accountancy dates back to 1857 when the first Company legislation came into existence in pre-independent India, thereafter the gestation period was followed by the establishment of Indian Accountancy Board.

The Chartered Accountants Act, 1949 (Act No. XXXVIII of 1949) provided for the incorporation of the Institute of Chartered Accountants of India (ICAI) for regulation of the profession of Chartered Accountants. The affairs of ICAI are managed by a Council in accordance with the provisions of the Chartered Accountants Act, 1949 and the Chartered Accountants Regulations, framed therein under. "This Act received the assent of the Governor-General on 1st May, 1949 and was published in Part IV of the Gazette of India Extraordinary dated 3rd May, 1949 and further amended by –

- The Chartered Accountants (Amendment) Act, 1959 (No. 15 of 1959) published in the Gazette of India dated 7th May, 1960;
- The Chartered Accountants (Amendment) Act, 2006 (No. 9 of 2006) which received the assent of the President on the 22nd March, 2006 and was published in Part II Section I of the Gazette of India, Extraordinary dated 23rd March, 2006;
- The Chartered Accountants (Amendment) Act, 2011 (No. 3 of 2012) which received the assent of the President on the 8th January, 2012, and was published in Part II Section I of the Gazette of India Extraordinary dated 9th January, 2012

Volume I

The History of the Accountancy Profession in India, – Volume I authored by Shri Gopaldas P. Kapadia, the father of the Chartered Accountancy profession was released at the 24th Annual Meeting of the Council of the Institute on 14th September 1973. Hon'ble Shri H. R. Gokhale, the then

Minister of Law, was the Chief Guest at this function. The Volume I captured the real insight into the emergence of accountancy profession in India and it can be stated that the era from 1949-1972 were the formative years for the Institute. The country was also on a path of resurrecting the economy with foundation of a socialist democratic republic post independence era. During this period, the membership of the Institute had increased from 1,685 to over 12,000. The student population had also grown from about 250 to over 4,000.

Volume II

History of Accountancy Profession in India – Volume II, being the sequel to the first edition namely Volume I continued and captured from what has been stated in the first volume, picking up the thread from the pre-1972 developments. Volume II dealt with all major events that took place during the period 1973-1999. The period from 1973 to 1999, was the epoch of financial reforms and economic diversification starting in nineties era and was considered as the time during which the activities of the Institute expanded in line with changing expectations. The changing world trade scenario and increasing globalization imposed much more responsibility on the professionals and raised the bar of rectitude and professional excellence. The membership crossed the figure of 95,000 and the students serving articles/ audit clerks to about 70,000.

Indian accountancy profession constantly evolved according to the changing needs of the dynamic environment. The Institute has always ensured and continues to ensure that the education and training of students was corresponding with the national as well as global requirements. During this period, the entire effort of the Institute was to ensure that its members professional work commands due recognition in the society. Today, a member of the institute is able to command respect in the society because his motto is “Pride of Service in preference to Personal Gain”. He is expected to place public good above his personal gains and act in public interest.

POST-1999

Volume III

The Institute forayed in post-1999 era with a metamorphic history of achievements in the field of education, professional development, maintenance of high accounting and auditing.

In this sequel Volume-III, we landscape the next phase of the glorious history of the Institute of Chartered Accountants of India post-1999, incorporating the select milestones, significant decisions and remarkable events that have helped shape the Chartered Accountancy profession in India.

Decisions and events reflecting the incisive astuteness of the successive Councils have been instrumental in building a strong foundation and preserving the autonomy of the accountancy profession in India bestowed on it by Indian Parliament. Ever since Parliament and the founding fathers of the nation bestowed their trust on Indian Chartered Accountants in a broader national interest, the accountancy profession has constantly been evolving and so has been the Parliamentary Act governing the profession. Keeping the national and social interests in mind in tune with the times, the Act has further undergone changes many a time, after careful deliberations and debates in Parliament.

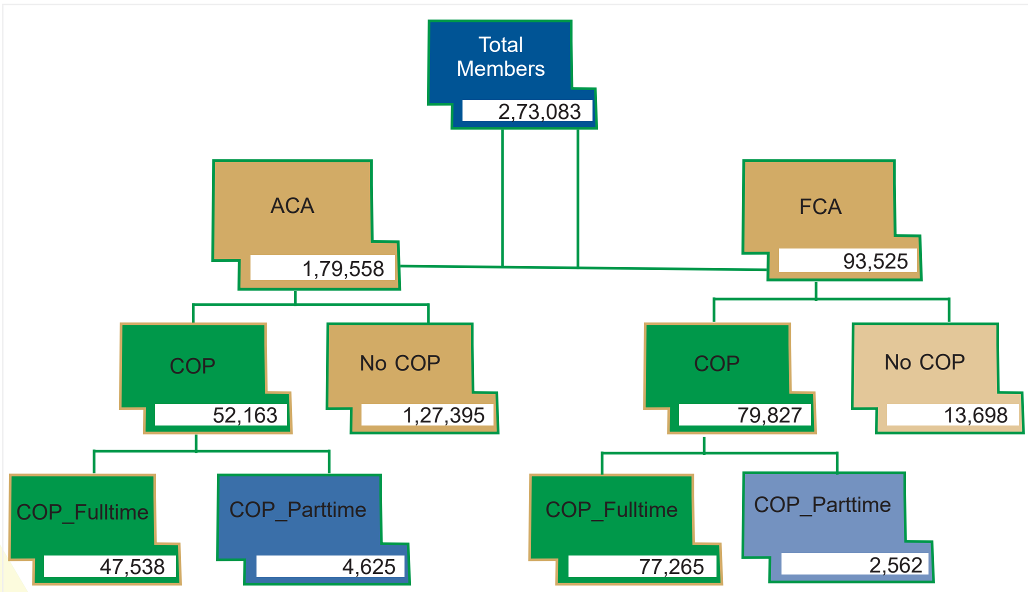
One of the epithets applied to the Institute of Chartered Accountants of India is Partner-in-Nation-Building. This is an exceptional depiction of the contribution of the profession of accountancy to the world. Regarded as the backbone of Indian financial system, ICAI continues to grow pan India and across the globe; number of members and students apart, the real stature has been its role as the key player in sustaining the economic momentum and vibrancy.

The Institute has also played a momentous role in providing policy inputs to the Government in the areas of fiscal reforms, financial sector reforms, public finance and economic and commercial laws. The Institute continues to enjoy a laudable repute with various Government and regulatory authorities and is time and again called upon to share its expertise, experience and expectations on the matters arising out of fiscal prudence, governance and alike. Also, noteworthy is that on most of such occasions, the Institute’s viewpoints have not only been appreciated, but have also been largely accepted.

As part of our drive to continue to benchmark ourselves against the best available global practices, we have converged to global standards while keeping the Indian interests in picture. The Institute has also made extensive development in its core purpose as guardian of transparency and integrity in financial reporting and highest accounting and auditing standards.

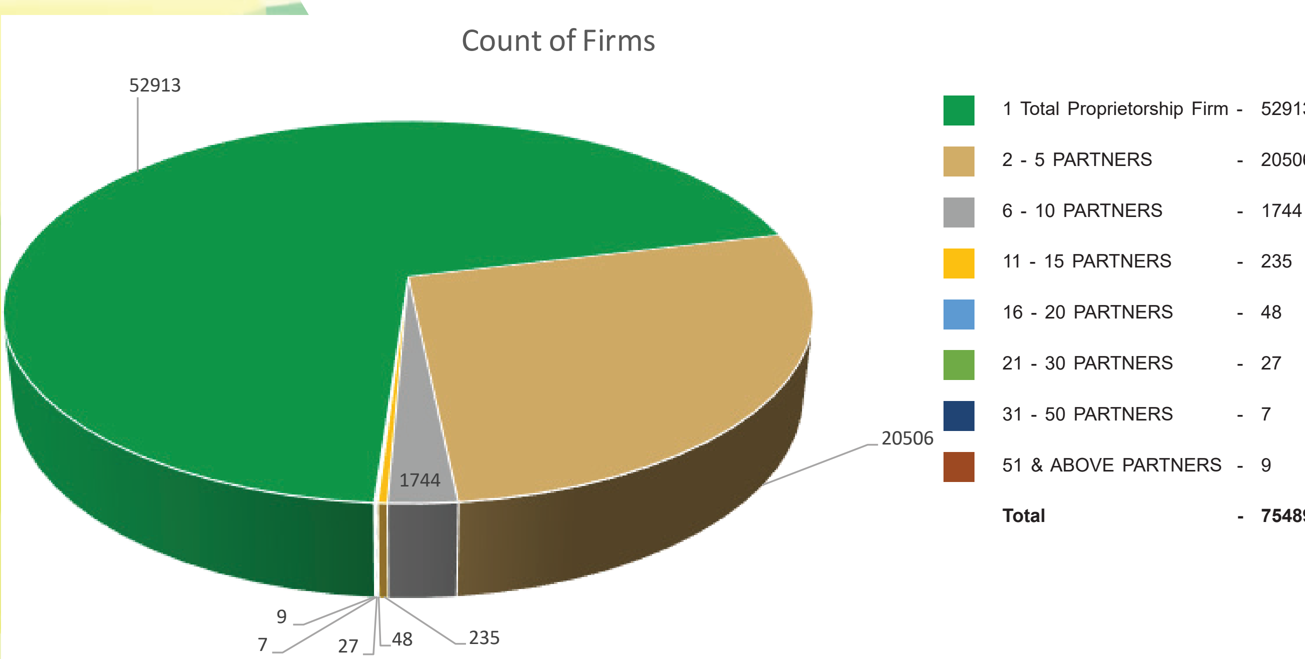
Chartered Accountants in India – A Glimpse

As on 1st January, 2019 the total Membership of ICAI is 2,73,083. The details are given in the chart below



The total registered firm with ICAI as on 1st January, 2019 is 75,489 Firms. The bifurcation is given in the Chart below.

Number of Partners based Firm



3 Insolvency Professional

One of the most remarkable changes in the present body of Indian jurisprudence has been the recent transition from a fragmented legal system dealing with the commercial demise of enterprises to a unified Insolvency and Bankruptcy Code in 2016 (IBC). This has opened a big window of new opportunity of Chartered Accountants as an Insolvency Professional.

The implementation framework of this Code rests on four Pillars, viz.,

- Insolvency Regulator
- Insolvency Professional
- Adjudicating Authority, and
- Information Utility

Chartered Accountants contribute to the bulk of the Insolvency Professionals (IPs) with their experience derived out of wide-ranging engagements from Finance to Advisory and Management to Audit available to them.

These professionals are duly enrolled by Insolvency Professional Agencies (IPAs) and registered for licencing with the regulatory body, i.e., the Insolvency and Bankruptcy Board of India (IBBI). The code clearly specifies functions and obligations of the Insolvency Professionals. Where any insolvency resolution, liquidation or bankruptcy process has been initiated, only an Insolvency Professionals shall be authorised to take such actions as may be necessary in the manner provided in the Code.

The functions and responsibilities of the IPs include:

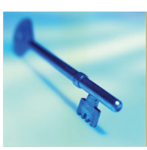
- Managing multiple locations of registered/corporate & branch offices and operating units,
- Making over of the management of the company, control and custody of the assets of the corporate debtor,
- Receiving and processing claims
- Tackle legal issues, including proceedings in National Company Law Tribunal (NCLT),
- Prepare periodic reports for NCLT & Committee of Creditors (CoC),
- Identify prospective resolution applicants,

Insolvency Professional

- Provide data rooms, get due diligence organised, evaluate Resolution Proposals,
- Meet with the Creditors in CoC apart from attempting to evolve a consensus on resolution proposals, etc.

The Government has provided a mechanism in the Code for resolving Insolvency and Bankruptcy through Insolvency Professionals subject to the supervision and control of the Adjudicating Authority and regulation by Insolvency Bankruptcy Board of India (IBBI) and Insolvency Professional Agency (IPA). Only a Registered IP can act as Resolution Professional or Trustee and Liquidators under the Companies Act, as well as under the Code. For the purpose of the quality of the services required to carry on the business of debtors as an on-going concern and to maximise the value of the corporate debtor, the entry norms for the IPs are strict, requiring professional standing for not less than 10 years for CA/CS/CWA & Advocates and 15 years for candidates from the Management Stream, subject to passing of an examination and completing a 50-hour Pre-Registration Course.

The IP occupies a pivotal position and acts as an intermediary between the debtor/creditors on the one hand and the Adjudicating Authority on the other hand and functions under the watchful eyes of the Agency and the Board. Newspapers have recently been replete with references to the Insolvency Law and the role of IPs. It will be interesting to see how, going forward, its implementation impacts the strategic opportunity matrix for existing and new entrepreneurs, while throwing up new areas of business and management opportunities.



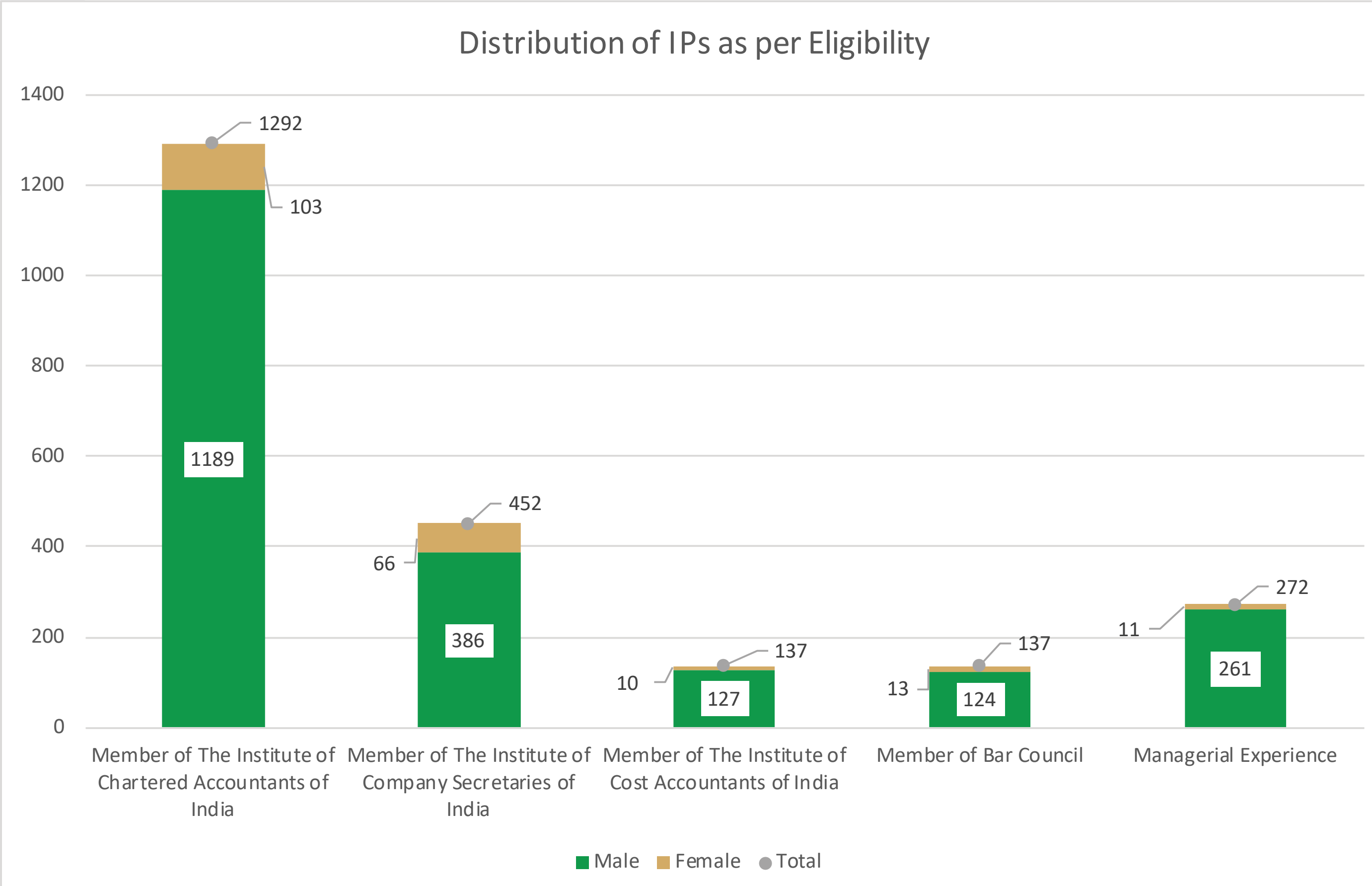
CORPORATE INSOLVENCY AND RESTRUCTURING

OPPORTUNITIES IN CORPORATE INSOLVENCY AND RESTRUCTURING

Some of the areas where Chartered Accountants may find opportunities within the ambit of IBC are:

- Assisting IP in preparing for pre-CIRP preparation.
- Reviewing the various risks involved in restructuring.
- Developing risk mitigation strategies.
- Working out a detailed bankable financial structure of the business.
- Working out a detailed plan for restructuring the business from all angles.
- Assessment of distressed assets, cash position, due diligence and turnaround feasibility.
- Advice on optimum utilisation of resources.
- Corporate Applicant Insolvency.
- Assessing Cross Border Insolvency transactions.
- Representation before the Debt Recovery Tribunals – particularly after notification of individual/firm bankruptcies.
- Representation before the NCLT or NCLAT, High Courts or Supreme Court.
- Negotiating settlements.
- Advisory in relation to a merger or acquisition or takeover.
- Advisory services to management on an on-going basis.
- Bankruptcy of Personal Guarantors, Firms and Individuals.
- Handling the Liquidation Process.

As per IBBI Newsletter for the quarter October-December, 2018, distribution of IPs as per their eligibility (an IP may be a member of more than one Institute) as on 31st December, 2018.



ICAI'S SUPPORT

Important Links

- Members may refer http://www.iiipicai.in/index.php for registration as an insolvency professional
- ICAI Publication on Frequently Asked Questions (FAQs) on the Insolvency and Bankruptcy Code, 2016 at https://resource.cdn.icai.org/45164clcgc35208.pdf
- ICAI Publication on Judicial Pronouncements under Insolvency and Bankruptcy Code, 2016 at https://resource.cdn.icai.org/51444clcgc41180.pdf
- Insolvency and Bankruptcy Board of India https://ibbi.gov.in/
- INSOL India http://insolindia.com/
- The Institute of Chartered Accountants in England and Wales (ICAEW). https://www.icaew.com/

Registered Valuer

With the introduction and subsequent adoption of Ind AS by many Indian Companies, the emphasis on valuation has increased. Valuation field is gaining importance now and is considered as one of the most critical areas in finance. It plays a key role in many areas such as buy/sell, solvency and merger and acquisition. It also plays an important role in the Insolvency Resolution regime where Liquidation Value has to be ascertained by Resolution Professional through the Registered Valuers.

Further, the concept of registered valuers has been institutionalised by including a separate chapter on Registered Valuers leading to the formalisation and regulation of the Registered Valuers under the Companies Act, 2013. The Rules notified by Ministry of Corporate Affairs (MCA) have also opened a **new domain for professionals called Registered Valuers.**

As per the Companies (Registered Valuers and Valuation) Rules, 2017 issued by the Ministry of Corporate Affairs in October, 2017, the following are eligible to become Registered Valuers for the Financial or Securities Asset Class:

Chartered Accountant having at least three years' experience after possessing required qualification as mentioned above.

Valuation is required in many contexts including investment analysis, capital budgeting, merger and acquisition transactions, financial reporting, taxable events to determine the proper tax liability, and in litigation.

There are various sections in the Companies Act 2013, where the valuation is required to be conducted by a Registered Valuer. Apart from above, there are many other Statutes like the Insolvency and Bankruptcy Code, 2016, Securities and Exchange Board of India (SEBI), The Foreign Exchange Management Act (FEMA), Reserve Bank of India (RBI) wherein valuation is required.

Recognising the need to have the consistent, uniform and transparent valuation policies and harmonise the diverse practices which are in use in India, the Council of the Institute of Chartered Accountants of India (ICAI) has issued the ICAI Valuation Standards 2018 which are first of its kind in India.

The Valuation Standards that have been issued by ICAI will help the members in maintaining the consistency in issuing the Valuation reports. These Standards will also help in providing appropriate content and disclosures in the valuation report.

These standards come as ICAI's consistent drive to guide its members for ensuring high quality work and standards.

The last few decades have witnessed amazing strides in the scope of our profession. We have seen a paradigm shift in the range of services rendered by Chartered Accountants. It has occurred due to widespread changes in the macro-economic scenario, regulatory and legal environment and prevalent industry practices. With the growing role of Companies Act, 2013, Insolvency and Bankruptcy Code, 2016, SEBI in controlling the financial market, the subject of Valuation has gained considerable importance.

INSTITUTIONAL SET UP UNDER THE COMPANIES (REGISTERED VALUERS AND VALUATION) RULES, 2017

- Authority, i.e., The Insolvency and Bankruptcy Board of India
- Registered Valuers Organisation
- Registered Valuers

ICAI REGISTERED VALUERS ORGANISATION

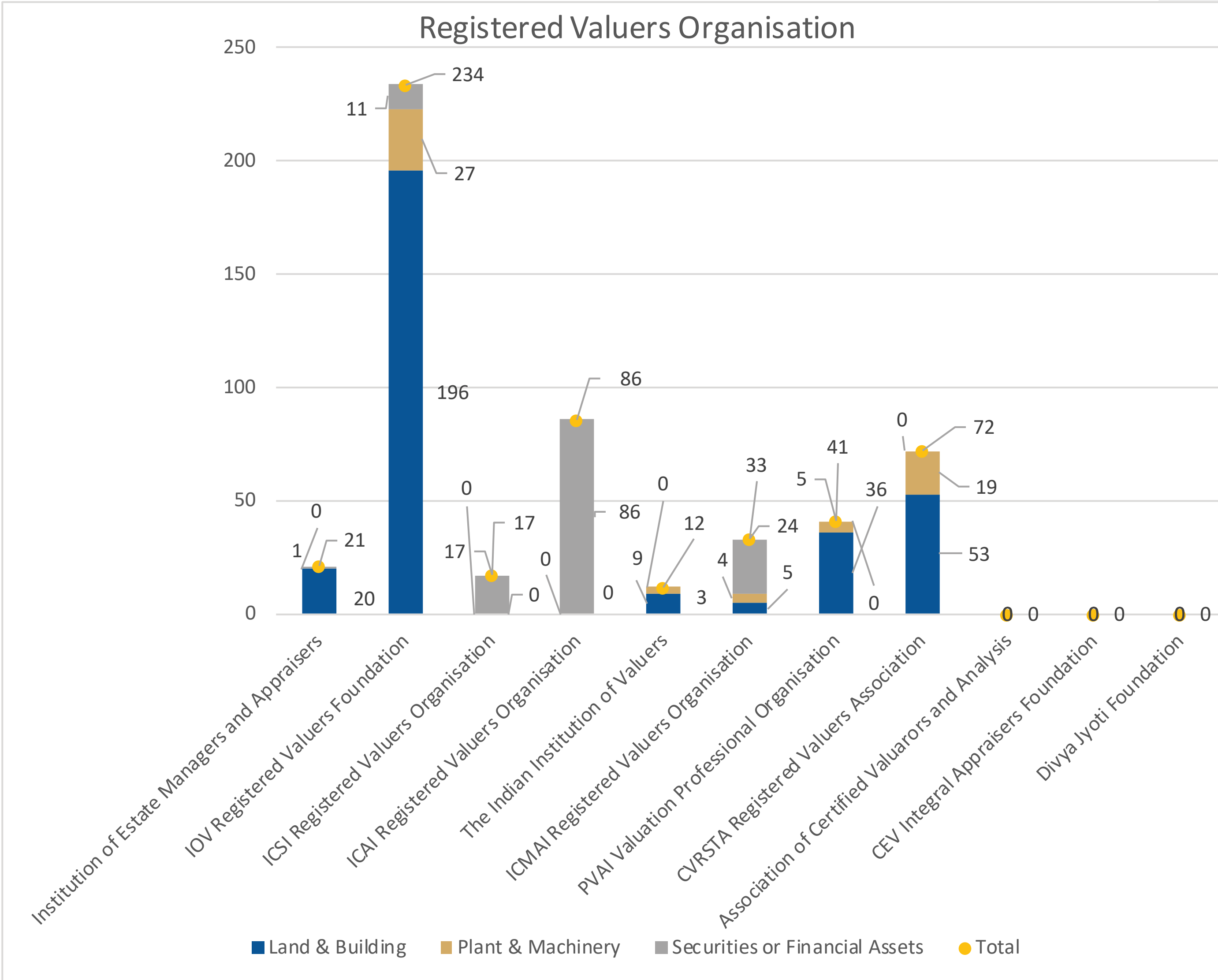
For this specific purpose, the Institute of Chartered Accountants of India has formed a Section 8 private company which has been recognized by the IBBI as a Registered Valuers Organisation (ICAI RVO) to enroll and regulate registered valuers or valuer member as its members in accordance with the Companies (Registered Valuers and Valuation) Rules, 2017, and functions incidental thereto. ICAI RVO is registered for Securities or Financial Assets Class.

Some of the important roles of ICAI RVO are as follows-

- ensure compliance with the Companies Act, 2013 and rules, regulations and guidelines issued thereunder governing the conduct of registered valuers organisation and registered valuers;
- employ fair, reasonable, just, and non-discriminatory practices for the enrolment and regulation of its members;
- be accountable to the authority in relation to all bye-laws and directions issued to its members;
- develop the profession of registered valuers;
- promote continuous professional development of its members;
- continuously improve upon its internal regulations and guidelines to ensure that high standards of professional and ethical conduct are maintained by its members; and
- provide information about its activities to the authority.

IBBI has notified the syllabus and mandated a 50 hours training by the Registered Valuers Organisation which is a precondition to take examination to become Registered valuer.

While the law provide opportunities to all professionals for enrolling as Registered Valuers, Valuation is a highly specialised field which can be performed by the professionals having a blend of finance, accounting and law hence Chartered accountants are best suited for valuation as at various levels of Chartered Accountancy, the syllabus includes various topics and methodology of Valuation which creates a strong knowledge base for Chartered Accountants.



Courses offered

ICAI RVO conducts 50 hours Educational Course as specified by the Insolvency and Bankruptcy Board of India to be eligible to take examination to become Registered Valuer on enrolment with RVO and registration with IBBI after clearing the examination, for details, please visit http://www.icairvo.in/courses/50-hrs-training/

Important Links

- Visit ICAI Registered Valuers Organisation(RVO) at http://www.icairvo.in/
- Visit the website of Insolvency and Bankruptcy Board of India, at https://ibbi.gov.in/registered-valuers.html

5 Goods and Services Tax

GOODS AND SERVICES TAX (GST)

Goods and Services Tax, a comprehensive indirect tax levy on supply of goods as well as services was implemented in India from 1st July, 2017 (State of J&K implemented from 8th July, 2017) with the main objective to consolidate all indirect tax levies into a single tax, except customs (excluding SAD) replacing multiple tax levies, overcoming the limitations of earlier indirect tax structure and creating efficiencies in tax administration.

The following taxes are being subsumed due to GST:

Central Level	State Level
Central Excise Duty	Subsuming of State Value Added Tax/Sales Tax
Additional Excise Duty	Entertainment Tax and Central Sales Tax
Service Tax	Octroi and Entry tax
Additional Customs Duty commonly known as Countervailing Duty	Purchase Tax
Special Additional Duty of Customs	Luxury tax
	Taxes on lottery, betting and gambling

Goods and Services Tax

PROFESSIONAL OPPORTUNITIES FOR CHARTERED ACCOUNTANTS

Implementation of GST has brought in many professional opportunities for Chartered Accountants. Some of the opportunities as provided in the Central GST Act, 2017 and GST Rules are as under:

- Section 35(5) of the Central Goods & Services Tax Act, 2017 provides that every registered person whose turnover during a financial year exceeds the prescribed limit (presently ₹ 2 crore) shall get his accounts audited by a chartered accountant and shall submit a copy of the audited annual accounts, the reconciliation statement under sub-section (2) of section 44 and such other documents in such form and manner as may be prescribed.
- Section 66(1) of the Central Goods & Services Tax Act, 2017 provides that if at any stage of scrutiny, inquiry, investigation or any other proceedings before him, any officer not below the rank of Assistant Commissioner, having regard to the nature and complexity of the case and the interest of revenue, is of the opinion that the

value has not been correctly declared or the credit availed is not within the normal limits, he may, with the prior approval of the Commissioner, direct such registered person by a communication in writing to get his records including books of account examined and audited by a Chartered Accountant as may be nominated by the Commissioner.

- As per Rule 40 of CGST Rules – a declaration (in Form GST ITC-01) that assessee is eligible to avail of input tax credit on capital goods, in terms of clauses (c) and (d) of sub-section (1) of section 18, needs to be duly certified by a practicing chartered accountant if the aggregate value of claim on account of central tax, State tax, Union territory tax and integrated tax exceeds two lakh rupees.
- As per Rule 41 of CGST Rules for transfer of credit on sale, merger, amalgamation, lease or transfer of a business, Form GST ITC-02 needs to be accompanied by a copy of a certificate issued by a Practicing Chartered Accountant certifying that the sale, merger, demerger, amalgamation, lease or transfer of business has been done with a specific provision for transfer of liabilities.
- As per sub-section (4) of section 18, a declaration (Form GST ITC-03) for intimation of ITC reversal on inputs contained in semi-finished and finished goods and capital goods in stock needs to be duly certified by a Practicing Chartered Accountant.
- Rule 89 of CGST Rules requires a Certificate in Annex 2 of Form GST RFD-01 to be issued by a Chartered Accountant to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed exceeds Two Lakh rupees
- Nominated as Goods and Services Tax Practitioner as per Return Rules.

There is a wide scope of opportunity for Chartered Accountants in the wake of GST, such as:

- Input Tax Credit Review Audit: The GST audit under Section 35(5) of CGST Act 2017 has been notified in September 2018.
- GST Advisory
- Dispute Avoidance and Resolution
- Special Audit by Chartered Accountant on the Directions of the GST Officer
- Filing of Returns
- Helping the assessees with assessments & litigations etc.
- Optimisation of taxes
- Engage in study of selling and distribution patterns / chains
- Impact analysis
- Purchase/Sales patterns
- Contract vetting
- Compliances

FOREIGN SERVICES (VAT IMPLEMENTATION IN MIDDLE EAST COUNTRIES)

The Excise Tax & Value Added Tax has been implemented in the UAE for the first time from 1st Oct 2017 and 1st Jan 2018 respectively. This has provided a unique service possibility to enable smooth implementation of the new laws in a Country where there were no taxes.

Subsequently, in a phased manner, the Value Added Tax has been initiated in Bahrain from January 1st 2018 and other Gulf Corporation Council countries including Oman and Kuwait and has confirmed to implement in the coming two years.

OPPORTUNITIES

What lies ahead is not only the limited space of taxation, it's the professional learning & expertise which can be provided to areas (including taxation) and are discussed hereunder. Opportunities available in major sectors are discussed, which can be aligned with personal and professional goals of the members of The Institute of Chartered Accountants of India.

- Financial & Commodity Sector - Financial & Commodity sector constitute for major contributor to the GDP, in the UAE market. This is supported by Central Bank approved Banks and Financial & Commodity Free Trade Zones. With Introduction of VAT and enhanced compliance requirements, there is a sustainable growth requirement for financial professionals in the field of accounts, compliance, credit & operational aspects in this sector.

  (a) "Central Bank of the UAE", approved 23 National and 28 Foreign Commercial Banks running over 1000 branches.

  (b) Financial & Commodity Free Zone - There are three major financial & commodity free zone, supporting financial and commodity trading activity:

    (i) Dubai International Financial Centre (DIFC), representing 622 regulated entities, 484 authorized firms and 120 DNFBPS (Designated Non-Financial Business or Profession).

    (ii) Abu Dhabi Global Market (ADGM), representing 37 regulated entities, 9 Collective

Investment Funds, and number of strategic entities to support financial structuring.

(iii) Dubai Multi Commodities Centre (DMCC), is established to enhance commodity trade flows through Dubai, with 15,000 + registered companies. This commodity trade accounts for world's leading physical gold markets and diamond trading hubs, accounting for US$ 75 billion annually combined & The Tea Centre handles 53 million kilos of tea a year.

- Large Corporates & Listed Entities – UAE Large Corporates are going through the change on account of tax regime, stringent procedures to comply for Commercial Companies Law, Securities and Commodities Authority (SCA) compliance, and fund management. Trained Financial professionals, with effective skills are in demand to take positions in accounts, finance, administrative, compliance & leadership roles in the organisations listed with Dubai Financial Market (DFM), Abu Dhabi Securities Exchange (ADX) and Nasdaq Dubai.

ICAI'S SUPPORT

Courses offered

Certificate Course on GST visit http://idtc.icai.org/about-certificate-course.html

E-learning on GST Law including annual return & GST Audit, please visit http://idtc.icai.org/e-learning.html

Important Links

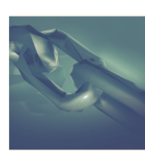
- For details of e-Learning on UAE VAT, please visit, http://idtc.icai.org/elearning-uaevat-subscribe.html
- For Background Material on UAE VAT, please visit http://idtc-icai.s3.amazonaws.com/download/pdf18/BGM_on_UAE_VAT_01-07-18.pdf
- For updated information on initiatives taken by ICAI on Dubai VAT, members may visit Dubai Chapter at https://icaidubai.org/
- For publications related to GST, members may visit http://idtc.icai.org/publications

Information Technology

Over the recent years, the hi-tech boom and emergence of ABCD of technology – Artificial Intelligence, Blockchain, Cyber Security and Data Analytics – is ushering a new era in the history of accountancy across the globe. The present digital and knowledge era, that also includes robotic process automation, cloud computing and Internet of Things among others, is landing new skill-sets and new domains for Chartered Accountants who are ready to learn and upgrade in tune with the times, in addition to their core areas of expertise. It is the predictive analytics that is becoming vital for Chartered Accountants. With high-growth curve of new technologies, the future will see more and more organisational complexities that will demand matching response from Chartered Accountants as the lifeline of business and Industry.

ARTIFICIAL INTELLIGENCE

Artificial Intelligence (AI) is a disruptive technology which would transform the auditing methodology and processes. Organisations are generating and collecting large amounts of data on a continuous basis, from points of sale, to shipment tracking information, as well as inventory counts in real time. In addition, information from exogenous sources, in the form of social media and news feed to name a few, is readily accessible and available for analysis. It is, in fact, the application of AI to this type of Big Data that is expected to take the auditing profession a step forward. With such large databases, traditional audit procedures become less effective and efficient, which necessitates a rethinking of the way audits are conducted. Further, adoption of AI enabled tools could be attributed to the ability to remove repetitive and time-consuming tasks, thereby investing more time for important processes like planning, strategy, forecasting and creative problem solving. Chartered Accountancy Profession should examine how their role would change with process automation, and harvest its potential to make auditing more effective, smarter, and easier.



BLOCKCHAIN

Blockchain is not a single technology, but rather a protocol for recording transactions, with features of distributed ledger, immutability and provenance, with immense potential to increase efficiency of the process of accounting for transactions and assets. Implementation of blockchain technology across various industries/sectors would empower accountancy profession to expand its scope to record more types of activity than before, and to drill down closer to the economicreality under pinning the transactions recorded. Chartered Accountants, with unique blend of technical and business knowledge, should seize the opportunity to take a lead on how blockchain is embedded and used in the future, and to help organisations develop blockchain-led solutions and services. Further, they can also advise organisations which are considering the option to join blockchain with an overall view of cost and benefits involved. Chartered accountants should upskill and prepare for an important professional opportunity of audit of smart contract.

FUTURE ROLES OF CHARTERED ACCOUNTANTS IN BLOCKCHAIN ECOSYSTEM

Following is list of potential new roles for Chartered Accountants in Blockchain landscape, which is illustrative only and not all-inclusive:

(a) Audit of Smart Contacts: Contracting parties may want to engage an assurance provider to verify that smart contracts are implemented with the correct business logic. Professional Accountants could verify the interface between smart contracts and external data sources that trigger business events. Without an independent evaluation, users of Blockchain technologies face the risk of unidentified errors or vulnerabilities. To take on this new role, professional accountants may need a new skill set, including understanding technical programming language and Blockchain functionality. In the context of a financial statement audit, management will be responsible for establishing controls to verify whether the smart-contract source code is consistent with the intended business logic. Professional Accountant auditing an entity with smart contracts/Blockchain is likely to consider management's controls over the smart contract code. Many companies may choose to reuse smart contracts built by other entities already active on a Blockchain. Future auditing standards and auditing guidance may need to contemplate this technology and thereby bring clarity to the role of the professional accountants in those scenarios.

(b) Service Auditor of Consortium Blockchain: Prior to launching a new application on an existing Blockchain platform or leveraging/subscribing to an existing Blockchain product, users of the system may desire independent assurance as to the stability and robustness of its architecture. Instead of each participant performing their own due diligence, it may be more efficient to assign this task to a Professional Accountant to achieve these objectives. Critical Blockchain elements (e.g., cryptographic key management) should be designed to include sophisticated General Information Technology Controls (GITCs) that provide ongoing protection for sensitive information, as well as processing controls over security, availability, processing integrity, privacy and confidentiality. On an ongoing basis, a trusted and independent third party may be needed to provide assurance as to the effectiveness of controls over a private Blockchain.

(c) Central Access Granting Administrator: Permissioned Blockchain solutions may benefit from a trusted, independent and unbiased third party to perform the functions of a central access-granting administrator. This function could be responsible for verification of identity or a further vetting process to be completed by a participant before they are granted access to a Blockchain. This central administrator could validate the enforcement and monitoring of Blockchain's protocols. If this function is performed by a user/node of the Blockchain, then an undue advantage could exist and trust among consortium members could be weakened. Since this role would be designed to create trust for the Blockchain as a whole, due care will be needed when establishing both its function and its legal responsibilities. As a trusted professional, professional accountant is capable of carrying out this responsibility.

(d) Arbitration Function Business arrangements can be complex and result in disputes between even the most well-intentioned parties. For a permissioned Blockchain, an arbitration function might be needed in the future to settle disputes among the consortium Blockchain participants. This function is analogous to the executor of an estate, a role typically filled by various qualified professionals, including professional accountants. Participants on the Blockchain may require this type of function to enforce contract terms where the spirit of the smart contract departs from a legal document, contractual agreement or letter.

CLOUD COMPUTING

Cloud Computing has become a critical part of IT landscape for increasing capabilities and reducing cost, leading to organisations moving more business processes to the cloud by various organisations. The advantage of the cloud is evidenced by the ever increasing flow of data entering the cloud each day. However, as in the case of Internet of Things (IoT), a growing reliance on cloud computing and data is stimulating fears over security, privacy, movement and ownership of user data. Cloud accounting software have been a growing trend in business and practice for many years, helping firms and their clients to access and share information. This positions accountants to make the most of the cloudbased resources such as servers, storage, processing and other services, which are becoming increasingly common place. Increased usage of cloud accounting will facilitate use of real-time data and more in depth analytics.

DATA ANALYTICS

"Data Analytics" is the process of examining raw data with the purpose of drawing conclusions supporting decision making. Data analytics, when used to obtain audit evidence in a financial statement audit, is the science and art of discovering and analysing patterns, deviations and inconsistencies, and extracting other useful information in the data underlying or related to the subject matter of an audit through analysis, modeling and visualisation for the purpose of planning or performing audit. Thus, in high-volume data environment, effective use of data analytics tools offers opportunities for auditors to obtain a more effective and robust understanding of entity and its environment, and also enhancing quality of the auditor's risk assessment and response. The advances in technologies and software solutions enable auditors to engage with audit data analytics in a variety of ways, resulting in audits that are more6 – Focused as the auditor's attention is directed towards areas of greater audit risks; Insightful because they provide improved client service; and Effective as audit teams can direct more time on complex areas where increased audit risk is present. Data analytics can be employed effectively in areas of fraud detection and forensic accounting, tax and compliance consulting, improvements in billing and cost management or business operations, risk identification and providing risk management insights/advice, identifying revenue leakage, real time monitoring of controls, using predictive models to improve forecasting, Integrated or sustainability reporting, etc.

ROBOTIC PROCESS AUTOMATION

Robotic Process Automation (RPA) combines artificial intelligence, including machine learning and machine vision, with automation. Robotic Process Automation is not a physical robot sitting at a desk performing tasks. Since RPA has great potential to transform the audit profession and change the role of the auditor by replacing perfunctory tasks and emphasizing higher order thinking skills, it is paramount to have a plan of action that will ensure a smooth transition.

In essence, the role of the auditor would be repurposed and changed from being a data collector, processor, analyser, and disseminator to primarily emphasizing the evaluation component of audit procedures. Auditing of Robotic Process Automation requires auditor to–

- Understand the governance process of RPA;
- Reviewing of process of identification of need, areas to be automated, KPI for automation and process of RPA tool implementation;
- Review of system change management control, i.e., how changes were identified, approved, tested, sign off of testing was given, pre and post migration review and approvals;
- Analysing robotic controller to see how instructions are scheduled in RPA tool, and monitoring of the same;
- Reviewing of system blueprint and exception handling process;
- Reviewing process of exception handling log;
- Analyse periodic update and monitoring mechanism implemented by client for monitoring of BOTS.
- Audit access control implemented in RPA, that is who can approve access to RPA administrator, who has access to administer BOT, who have access to manage exception, Re-run or make changes in RPA tool, etc.
- Review of RPA transaction logs.
- Perform testing of edit, validation check, error check, etc., configured in RPA and reperform few calculation and transaction reviews to ensure that results are consistent.

RPA can provide an opportunity to professional accountants to automate their process and deliver client services in an efficient, error-free and faster way. PAO can deploy RPA:

- For tax filing,
- For GST compliance and reconciliation,
- For reminder mailers,
- MIS reporting,
- For managed services for a client

Under Information Technology, various Audits and Reviews are to be undertaken by the Chartered Accountants:

- Financial Audits or Reviews
- Operational Audits
- Department Reviews
- Information Systems Audits
- Integrated Audits
- Investigative Audits or Reviews
- Information Security
- Business continuity management
- Mobile
- Cloud
- IT risk management

- Program risk
- Software/IT asset management
- Social media risk management
- Segregation of duties/identity and access management
- Data loss prevention and privacy

FINANCIAL AUDIT

A historically oriented, independent evaluation performed for the purpose of attesting to the fairness, accuracy, and reliability of financial data. In many audits the books of accounts may in Financial Accounting (FA) packages or in custom developed software or in commercial ERP solutions. The auditor has to interrogate this software to extract the data and information required to complete the audit and to document findings and observations. This extraction requires the knowledge of writing queries in SQL, using CAAT tools and techniques and the ability to import/export data in different formats and to/from different software.

The auditor would also have to perform analytical procedures as per SA 520. Apart from using ratio analysis the auditor can also use common statistical methods supported by spreadsheets and statistical software.

Presentations to the Audit Committee and the BOD can be done using presentation software and animation software.

Operational Audit

An operational audit is a systematic and independent evaluation of organizational activities. Financial data may be used, but the primary sources of evidence are the operational policies and achievements related to organizational objectives. Internal controls and efficiencies may be evaluated during this type of review.

Trends and compliances to policies can be established by using data visualization and business graphic software. Real-time monitoring is also possible by embedding an audit module to process the data on the fly. These audits are predominant in the public enterprises and where PE funds and Angel investors are monitoring the business on a day-to-day basis.

Department Review

A current period analysis of administrative functions, to evaluate the adequacy of controls, safeguarding of assets, efficient use of resources, compliance with related laws, regulations and policies and integrity of financial information.

These audits require the knowledge of GRC (Governance, Risk and Compliance) software and the ability to identify and interpret alerts and suggest remediation measures. Statistical tools can also be used to assess the seriousness of the non-compliance.

Information Systems (Is) Audit

There are three basic kinds of IS Audits that may be performed:

General Controls Review

This is a review of the controls which govern the development, operation, maintenance, and security of application systems in a particular environment. This type of audit might involve reviewing a data center, an operating system, a security software tool, or processes and procedures (such as the procedure for controlling production program changes), etc.

Application Controls Review

This is a review of controls for a specific application system. This would involve an examination of the controls over the input, processing, and output of system data. Data communications issues, program and data security, system change control, and data quality issues are also considered.

System Development Review

Involves a review of the development of a new application system. This involves an evaluation of the development process as well as the product. Consideration is also given to the general controls over a new application, particularly if a new operating environment or technical platform will be used.

Integrated Audit

This is a combination of an operational audit, department review, and IS audit application controls review. This type of review allows for a very comprehensive examination of a functional operation within the organisation. The manual and the IS/IT audit techniques are integrated into the audit methodology.

Investigative Audit

This is an audit that takes place as a result of a report of unusual or suspicious activity on the part of an individual or a department. It is usually focused on specific aspects of the work of a department or individual. Forensic techniques have to be deployed and the IT/IS systems secured to preventive tampering with data and evidence.

AUDIT OF THE INFORMATION SECURITY

Information security program assessment evaluates the organization's information security program, including strategy, awareness and training, vulnerability assessments, predictive threat models, monitoring, detection and response, technologies and reporting.

Audit Considerations

- How comprehensive is the existing information security program?

- Is information security embedded within the organization, or is it an "IT only" responsibility? How well does the organization self-assess threats and mitigate the threats?

BUSINESS CONTINUITY MANAGEMENT

The Audit

Business continuity program integration and governance audit evaluates the organization's overall business continuity plan, including program governance, policies, risk assessments, business impact analysis, vendor/third-party assessment, strategy/plan, testing, maintenance, change management and training/awareness.

Audit Considerations

- Does a holistic business continuity plan exist for the organization?
- How does the plan compare to leading practice?
- Is the plan tested?

MOBILE

Mobile Device Configuration Review

To identify risks in the settings and configuration of mobile device and vulnerabilities in the current implementation. This audit would include an evaluation of trusted clients, supporting network architecture, policy implementation, management of lost or stolen devices, and vulnerability identification through network accessibility and policy configuration.

Audit Considerations

- How has the organization implemented "bring your own device" (BYOD)?
- Are the right policies/mobile strategies in place?
- Are mobile devices managed in a consistent manner?
- Are configuration settings secure and enforced through policy?
- How are lost and stolen devices managed?
- What vulnerabilities exist, and how are they managed?

Mobile Application Black Box Assessment

Performs audit using different front-end testing strategies, that is, scan for vulnerabilities using various tools, and manually verify scan results. Attempts to exploit the vulnerabilities identified in mobile web apps.

Audit Considerations

- What vulnerabilities can be successfully exploited?
- How does the organisation respond when exploited, and how does the organisation know an intrusion has occurred?

Mobile Application Gray Box Assessment

Combines traditional source code reviews (white box testing) with front-end (black box) testing techniques to identify critical areas of functionality and for symptoms of common poor coding practices. Each of these "hot spots" in the code should be linked to the live instance of the application where manual exploit techniques can verify the existence of security vulnerability.

Audit Considerations

- How sound is the code associated with the mobile applications used within the organization?
- What vulnerabilities can be exploited within the code?

CLOUD

Cloud Strategy and Governance Audit—

Evaluates the organization's strategy for utilizing cloud technologies.

Determines whether the appropriate policies and controls have been developed to support the deployment of the strategy.

Evaluates alignment of the strategy to overall company objectives and the level of preparedness to adopt within the organization.

Audit Considerations

- Is there a strategy around the use of cloud providers?
- Are there supporting policies to follow when using a cloud provider? Are policies integrated with legal, procurement and IT policies?

Cloud Security And Privacy Review

Assesses the information security practices and procedures of the cloud provider. This may be a review of their SSAE 16/402/3502 report(s), a review of their security SLAs and/or an onsite vendor audit.

Determines whether IT management worked to negotiate security requirements into their contract with the provider.

Review procedures for periodic security assessments of the cloud provider(s), and determine what internal security measures have been taken to protect company information and data.

Audit Considerations

- Has a business impact assessment been conducted for the services moving to the cloud?
- Does your organization have secure authentication protocols for users working in the cloud?
- Have the right safeguards been contractually established with the provider?

Cloud Provider Service Review

Assesses the ability of the cloud provider to meet or exceed the agreed-upon Service Level Agreement Audit (SLA) in the contract. Areas of consideration should include technology, legal, governance, compliance, security and privacy. In addition, internal audit should assess what contingency plans exist in case of failure, liability agreements, extended support, and the inclusion of other terms and conditions as part of the service contracts, as well as availability, incident, and capacity management and scalability.

Audit Considerations

- What SLA are in place for uptime, issue management and overall service?
- Has the cloud provider been meeting or exceeding the SLA?
- What issues have there been?
- Does the organization have an inventory of uses of external cloud service providers, sponsored both within IT and directly by the business units?

IT RISK MANAGEMENT

IT Risk Management Strategy Assessment

Assesses the framework and process IT has embedded within the function to assess and manage risks. Evaluates the actions taken to mitigate risks and the level of accountability within the process.

Audit Considerations

- How well does IT identify risks?
- What is done once a risk is identified?
- Are IT risk management processes followed?
- Does the IT risk program cover all of IT including shadow IT?
- Is responsibility for risk coverage clearly defined?
- How are IT risks identified, remediated or accepted?

IT Governance Audit

Evaluates the processes IT has in place to govern capital allocation decisions, project approvals and other critical decisions.

Audit Considerations

- Do formalized processes for governing IT exist?
- What can be done to increase business confidence in IT governance?
- Are your IT governance processes and requirements applicable across all of IT?
- Are there formal charters, mandates and responsibilities documented and followed by key steering committees?

IT Risk Assessment

Participates in IT's own risk assessment (as opposed to the independent IT internal audit risk assessment) as an advisory audit. Evaluates the risks identified and provide insight given the auditor's unique perspective on the IT organization.

Audit Considerations

- Is there a comprehensive risk assessment performed to identify all IT risks?
- Is the IT risk assessment process effective?
- How can the process be enhanced?
- Is there an opportunity to coordinate the IT internal audit risk assessment with IT's own risk assessment?

Technology Enablement/GRC Package Selection

Evaluates the organization's current use of GRC software or GRC software selection process. Provides value-added insight on critical business requirements.

Audit Considerations

- How can GRC software be effectively used within the organization?

- How mature is the organization's use of existing GRC software? Do we use all functionality available to us?
- What are the key business requirements for GRC software?
- How many GRC technology solutions are in use across the organization? Is there an opportunity for solution convergence?
- What is the level of risk reporting provided to stakeholders to support IT risk decisions?

IT INVESTMENTS PROGRAM RISK

Project Management Methodology Audit

Assesses the design of processes and controls in place to manage projects against leading practices.

Audit Considerations

- Are the right processes and controls in place to provide that projects are delivered on time, on budget and with the right resources?
- Are controls in place to measure achieved benefits against intended benefits after project completion?

Project And Program Execution Audit

Evaluates common areas of high risk on programs (e.g., third-party contracting, business change, test strategy, data migration). Outputs provide confidence to management that high- risk areas have been independently checked and verified to leading practice.

Audit Considerations

- Is project/program management methodology being followed correctly?
- What is done when projects are under-performing?
- How is project risk assessed and managed?

Portfolio Risk Review

Reviews strategy, projects and programs to assess alignment. This review focuses on assessing the prioritization of the project portfolio in support of increasing value and reducing the risk that the transformation portfolio exposes.

Audit Considerations

- Do the right governance processes exist to provide that projects/programs align to company strategy?
- How is the portfolio managed as corporate objectives change?

SOFTWARE/IT ASSET MANAGEMENT

IT And Software Asset Management Process And Control Audit

Assesses the design and effectiveness of processes and controls IT has deployed related to software and IT asset management.

Reviews the impact of these processes on related IT processes such as IT service management, IT contract management and information security.

Audit Considerations

- Do we have a comprehensive approach to IT asset and software management?
- How well do we manage software license costs?
- Is there an IT and software asset management technology solution in place to support these processes? If not, should there be?

SOFTWARE LICENSE REVIEW

Performs a review of significant software license agreements (e.g., ERPs) and evaluate the effectiveness of IT's software asset management process in practice. Assesses opportunities for cost reduction by improving the management of software licenses.

Audit Considerations

- Are there opportunities to renegotiate software licensing agreements based on the way the organisation actually utilizes software versus the way original contracts were negotiated?
- Is the organisation violating any existing contractual agreements?

IT CONTRACT MANAGEMENT ASSESSMENT

Evaluates the IT organization's ability to manage contracts and how effectively IT and supply chain coordinate to manage costs and negotiate effective agreements.

Audit Considerations

- Are IT asset and software contracts planned, executed, managed and monitored effectively?
- Are there "shadow IT" contractual agreements executed in other parts of the organization?

SOCIAL MEDIA RISK MANAGEMENT

Social Media Risk Assessment

Collaborates with the IT organization to assess the social media activities that would create the highest level of risk to the organization. Evaluates the threats to the organization's information security through the use of social media. This audit may be combined with a social media governance audit to then confirm policies have been designed to address the highest risks to the organization.

Audit Considerations

- Does the organization understand what risks exist related to social media?
- How well are the identified risks managed?

Social Media Governance Audit

Evaluates the design of policies and procedures in place to manage social media within the organization. Reviews policies and procedures against leading practices.

Audit Considerations

- Does a governance process exist for social media within the organization?
- How well are policies related to social media known amongst employees?

SOCIAL MEDIA ACTIVITIES AUDIT

Audits the social media activities of the organization and its employees against the policies and procedures in place. Identifies new risks and assist in developing policies and controls to address the risks.

Audit Considerations

- Are social media activities aligned to policy?
- What corrective actions need to be put in place given activity?
- How does existing activity affect brand and reputation?

SEGREGATION OF DUTIES/IDENTITY AND ACCESS MANAGEMENT

Systematic Segregation Of Duties Review Audit

Evaluates the process and controls IT has in place to effectively manage segregation of duties. Performs an assessment to determine where segregation of duties conflicts exist and compare to known conflicts communicated by IT. Evaluates the controls in place to manage risk where conflicts exist.

Audit Considerations

- How does IT work with the business to identify cross application segregation of duties issues?
- Do business personnel understand ERP roles well enough to perform user access reviews?
- While compensating controls identified for SoD conflicts may detect financial misstatement, would they truly detect fraud?

ROLE DESIGN AUDIT

Evaluates the design of roles within ERPs and other applications to determine whether inherent SoD issues are embedded within the roles. Provides role design, role cleanup or role redesign advisory assistance and pre- and post-implementation audits to solve identified SoD issues.

Audit Considerations

- Does the organization design roles in a way that creates inherent SoD issues?
- Do business users understand the access being assigned to roles they are assigned ownership of?

Segregation Of Duties Remediation Audit

Follows up on previously identified external and internal audit findings around SoD

Audit Considerations

- Does the organisation take appropriate action when SoD conflicts are identified?
- Has the organisation proactively addressed SoD issues to prevent year-end audit issues?

IAM/GRC TECHNOLOGY ASSESSMENT

Evaluates how IAM or GRC software is currently used, or could be used, to improve SoD controls and processes.

Audit Considerations

- Is IAM or GRC software currently used effectively to manage SoD risk?
- What software could be utilized to improve the level of SoD control, and what are the business requirements?

DATA LOSS PREVENTION AND PRIVACY

Data Governance And Classification Audit

Evaluates the processes management has put in place to classify data, and develop plans to protect the data based on the classification.

Audit Considerations

- What sensitive data does the organisation hold — what is the most important data?
- Where does the organisation's sensitive data reside, both internally and with third parties?
- Where is the data going?

DLP CONTROL REVIEW

Audits the controls in place to manage privacy and data in motion, in use and at rest. Considers the following scope areas: perimeter security, network monitoring, use of instant messaging, privileged user monitoring, data sanitation, export/save control, endpoint security, physical media control, disposal and destruction, and mobile device protection.

Audit Considerations

- What controls do we have in place to protect data?
- How well do these controls operate?
- Where do our vulnerabilities exist, and what must be done to manage these gaps?

Privacy Regulation Audit

Evaluates the privacy regulations that affect the organization, and assess management's response to these regulations through policy development, awareness and control procedures.

Audit Considerations

- How well does the organisation understand the privacy regulations that affect global business? For example, HIPAA is potentially a risk to all organizations involved in the health care industry of the USA, not just health care providers or payers.
- Does the organisation update and communicate policies in a timely manner?
- Do users follow control procedures to address regulations?

ICAI'S SUPPORT

Courses offered

- Post Qualification Course on Information Systems Audit (DISA)
- Certificate Course on Forensic Accounting and Fraud Detection (FAFD)

For details, visit https://elearn.icai.org/courses.html

Important Links

- Digital Accounting and Assurance Board of ICAI is offering the following courses for members
  The details can be viewed at https://www.icai.org/new_post.html?post_id=13422&c_id=432
- https://elearn.icai.org/
- Association of Certified Fraud Examiners https://www.acfe.com/
- Information Systems Audit and Control Association https://www.isaca.org/pages/default.aspx

Chartered Accountants are also competent enough to provide Income Tax related consultancy services to their clients. With the increasing complexity around Income Tax

Laws, following services can be rendered:

- Tax Planning and Tax Management
- Valuation of Assets and Assessment Procedures
- Consultancy in House and Property Tax
- Book-Keeping and procedural aspects in Agricultural Tax
- Taxation of Non-Resident Indians
- Transfer Pricing
- Double Taxation Avoidance Agreements
- The Benami Transactions (Prohibition) Act, 1988

Direct Taxation

Qualified Chartered Accountants are also eligible to represent assesssees at the Income Tax Appellate Tribunal. Under Section 252 of the Income-tax Act, 1961, Central Government is empowered to constitute an Appellate Tribunal consisting of sufficient number of judicial and accountant members.

Under Section 252(2A) of Income-tax Act, 1961, Chartered Accountants have been recognised to be the accountant members of the said tribunal.

Practising Chartered Accountants can issue following Certificates/ Reports as per Income-tax Act, 1961

Sr. No.	Particulars of Report/Statement/ Certificates	Applicable Section of the Income-tax Act, 1961	Applicable Rule of Income-tax Rules, 1962	Form No. (Attachments)	Weblink
1.	Assessees carrying on the business of growing and manufacturing tea/coffee/rubber claiming deduction under section 33AB	33AB(2)	5AC	3AC	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007759.pdf
2.	Assessees carrying on business consisting of the prospecting for, or extraction or production of, petroleum or natural gas or both in India and in relation to which the Central Government has entered into an agreement for the purpose of deposit in Special Account/ Site Restoration Account under section 33ABA	33ABA(2)	5AD	3AD	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007760.pdf

Sr. No.	Particulars of Report/Statement/ Certificates	Applicable Section of the Income-tax Act, 1961	Applicable Rule of Income-tax Rules, 1962	Form No. (Attachments)	Weblink
3.	Assessees other than companies or co-operative societies claiming amortisation of certain preliminary expenses under section 35D or claiming deduction for expenditure on prospecting etc., for certain minerals under section 35E for the first year only	35D(4) and 35E (6)	6AB	3AE	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007761.pdf
4.	Assessees carrying on business or profession whose sales, turnover or gross receipts exceed ₹ 1 Crore (₹ 50 lakhs in the case of profession) as per the provisions of section 44AB, and assessees who claim their income to be lower than the profits or gains deemed to be the profits and gains of their business under sections 44AD, 44ADA, 44AE, 44BB or 44BBB	44AB	6G(1)(a)	3CA	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007765.pdf
4A.	Assessees carrying on business or profession whose sales, turnover or gross receipts exceed ₹ 1 crore (₹ 50 lakh in the case of profession) as per the provisions of section 44AB, and assessees who claim their income to be lower than the profits or gains deemed to be the profits and gains of their business under sections 44AD, 44ADA, 44AE, 44BB or 44BBB	44AB	6G(1)(b)	3CB	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007766.pdf
4B.	Assessees carrying on business or profession whose sales, turnover or gross receipts exceed ₹ 1 crore (₹ 50 lakh in the case of profession) as per the provisions of section 44AB, and assessees who claim their income to be lower than the profits or gains deemed to be the profits and gains of their business under sections 44AD, 44ADA, 44AE, 44BB or 44BBB	44AB	6G(2)	3CD	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007767.pdf

Sr. No.	Particulars of Report/Statement/ Certificates	Applicable Section of the Income-tax Act, 1961	Applicable Rule of Income-tax Rules, 1962	Form No. (Attachments)	Weblink
5.	Assessee being a non-resident (not being a company) or a foreign company receiving income by way of royalty or fees for technical services from Government or an Indian concern as per the provisions of section 44DA	44DA(2)	6GA	3CE	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007768.pdf
6.	Every assessee who has effected slump sale in the previous year as per the provisions of section 50B	50B(3)	6H	3CEA	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007769.pdf
7.	Every person who has entered into an 'International transaction or specified domestic transaction' as per the requirement of section 92E of the Act	92E	10E	3CEB	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000009614.pdf
8.	Fund Manager to obtain report from the accountant in respect of activity undertaken for the fund as per the provisions of section 9A	9A	10V(7)	3CEJ	https://www.incometaxindia.gov.in/forms/income-tax%20rules/itr62form3cej.pdf
9.	Company assessee engaged in the business of bio-technology or manufacturing of specified article or thing incurring expenditure on scientific research (other than land and building) on an approved in-house research and development facility	35(2AB)	6(7A)(c)	3CLA	https://www.incometaxindia.gov.in/forms/income-tax%20rules/itr62form3cla.pdf
10.	The transferor of the share of, or interest in, a company or an entity that derives its value substantially from assets located in India to furnish Form No 3CT providing the basis of the apportionment in accordance with the formula and certifying that the income attributable to assets located in India has been correctly computed	9(1)(i)	11UC(2)	3CT	https://www.incometaxindia.gov.in/forms/income-tax%20rules/itr62form3ct.pdf

Sr. No.	Particulars of Report/Statement/ Certificates	Applicable Section of the Income-tax Act, 1961	Applicable Rule of Income-tax Rules, 1962	Form No. (Attachments)	Weblink
11.	Assessees who have been ordered by the Assessing Officer with the previous approval of the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner under section 142(2A) to get their books of account audited having regard to the nature and complexity of the accounts, volume of accounts, doubts about the correctness of the accounts, multiplicity of transactions in the accounts or specialised nature of business activity of the assessee and the interests of the revenue	142(2A)	14A	6B	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007128.pdf
12.	Assessee being a trust or institution claiming deduction u/ss. 11 & 12 as per the requirement of section 12A(b)	12A(1)(b)	17B	10B	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007797.pdf
13.	Assessees being any fund or trust or institution or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of section 10(23C) claiming exemption under section 10(23C)	Tenth proviso to section 10(23C) (iv)/(v)/(vi)/ (via)	16CC	10BB	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007798.pdf
14.	Assessees being electoral trust receiving voluntary contributions	13B	17CA(12)	10BC	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000009097.pdf
15.	Assessees claiming deduction in respect of eligible businesses under sections 80-IA or 80-IB (except Multiplex Theatres/Convention Centres/hospitals in rural areas), eligible undertakings/ enterprises claiming deduction under section 80-IC and 80-IE	80-IA (7)/ 80-IB/ 80-IC and 80-IE	18BBB(1)	10CCB	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007813.pdf

Sr. No.	Particulars of Report/Statement/ Certificates	Applicable Section of the Income-tax Act, 1961	Applicable Rule of Income-tax Rules, 1962	Form No. (Attachments)	Weblink
16.	Assessees claiming deduction under section 80-ID in respect of the profits and gains derived from the business of hotels and convention centres in specified areas	80-ID (3) (iv)	18DE(3)	10CCBBA	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007816.pdf
17.	Assessees claiming deduction under section 80-IB(11C) in respect of the profits and gains from the business of operating and maintaining a hospital located anywhere in India other than the excluded area	80-IB(11C)	18DDA	10CCBD	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007818.pdf
18.	Assessees claiming deduction under section 80-IA(6) in respect of profits and gains of business of housing or other activities which are an integral part of a highway project	80-IA(6)	18BBE(3)	10CCC	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007819.pdf
19.	Assessees, being scheduled banks owning an offshore banking unit in a Special Economic Zone or being unit of an International Financial Services Centre, for claiming deduction under Section 80LA in respect of specified incomes	80LA(3)(i)	19AE	10CCF	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007822.pdf
20.	Assessees, to whom section 44AB applies, claiming deduction under section 80JJAA(1), in respect of employment of new employees	80JJAA(2) (c)	19AB	10DA	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007823.pdf
21.	Assessee responsible for making the payment to a non-residents	195(6)	37BB(1) (ii)(b)	15CB	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007843.pdf
22.	Assessees who has failed to deduct tax at source in accordance with the provisions of the Act, not be deemed as an assessee in default provided certain conditions are fulfilled and a certificate from an accountant to this effect is furnished in the format prescribed under section 201(1) of the Act	First proviso to section 201(1)	31ACB(1)	26A	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007373.pdf

Sr. No.	Particulars of Report/Statement/ Certificates	Applicable Section of the Income-tax Act, 1961	Applicable Rule of Income-tax Rules, 1962	Form No. (Attachments)	Weblink
23.	Assessee who has failed to collect tax at source in accordance with the provisions of the Act, not be deemed as an assessee in default provided certain conditions are fulfilled and a certificate from an accountant to this effect is furnished in the format prescribed under section 206C(6A) of the Act	First proviso to section 206C(6A)	37J(1)	27BA	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007866.pdf
24.	Corporate assessees liable to pay Minimum Alternate tax under section 115JB of the Act, to furnish a report from an accountant certifying the computation of book profits	115JB(4)	40B	29B	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007874.pdf
25.	Non-corporate assessees liable to pay Alternate Minimum tax under section 115JC of the Act, to furnish a report from an accountant certifying the computation of adjusted book profits	115JC(3)	40BA	29C	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007875.pdf
26.	Corporate assessees claiming deduction under section 35AC	35AC	11-O(2)	58B	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007939.pdf
27.	Assessee being a non-resident having a liaison office in India prepare and deliver a statement containing such particulars as may be prescribed.	285	114DA	49C	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007920.pdf
28.	Manufacturer assessee deriving Profits and gains from an undertaking by the export of articles or things or computer software	10A(5)	16D	56F	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007933.pdf
29.	Corporate assessee being an amalgamated company to furnish certificate from the principal officer, duly verified by an accountant regarding achievement of the prescribed level of production and continuance of such level of production in subsequent years	72A(2)(b)(iii)	9C(b)	62	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007947.pdf

Sr. No.	Particulars of Report/Statement/ Certificates	Applicable Section of the Income-tax Act, 1961	Applicable Rule of Income-tax Rules, 1962	Form No. (Attachments)	Weblink
30.	Statement of distributed income which is to be furnished under sub-section (3A) of section 115R by the Unit Trust of India	115R(3A)	12B(2)	63	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007948.pdf
31.	Statement of distributed income which is to be furnished under sub-section (3A) of section 115R by the Mutual Fund	115R(3A)	12B(3)	63A	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007949.pdf
32.	Assessee being a venture capital company or a venture capital fund to furnish a statement giving details of the nature of income paid or credited during the previous year and other relevant details to be verified by an accountant as per section 115U	115U(2)	12C (2)	64	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000007950.pdf
33.	Assessee being a business trust distributing income to its unit holders to furnish a statement giving the details of the nature of the income paid during the previous year and other relevant details to be verified by an Accountant as per section 115UA	115UA(4)	12CA(2)(i)	64A	https://www.incometaxindia.gov.in/forms/income-tax%20rules/itr62form64a.pdf
34.	Assessee being an investment fund making payment of income to unit holder of the said fund to furnish a statement giving details of the nature of the income paid or credited during the previous year and such other relevant details to be verified by an Accountant as per section 115UB	115UB(7)	12CB(1)(ii)	64D	https://www.incometaxindia.gov.in/forms/income-tax%20rules/itr62form_64d.pdf
35.	Assessee being securitisation trust making payment of income to its investor to furnish a statement giving details of the nature of the income paid or credited during the previous year and such other relevant details to be verified by an Accountant as per section 115TCA	115TCA(4)	12CC(2)(i)	64E	https://www.incometaxindia.gov.in/forms/income-tax%20rules/103120000000026281.pdf

Sr. No.	Particulars of Report/Statement/ Certificates	Applicable Section of the Income-tax Act, 1961	Applicable Rule of Income-tax Rules, 1962	Form No. (Attachments)	Weblink
36.	Assessees engaged in the business of operating qualifying ships having opted for computation of income from such business under the tonnage tax scheme contained in chapter XII-G of the Act to furnish a report under section 115VW of the Act	115VW(ii)	11T	66	https://www.incometaxindia.gov.in/forms/income-tax%20rules/10312000000007952.pdf

ICAI'S SUPPORT

Important Links

- ICAI entered into an arrangement with Wolters Kluwer to provide the contents of Direct Taxes Online at subsidised rate, for details please visit https://dt.cchtaxonline.com/icai-subscription
- For Compliance Software - Taxmann's One Solution at subisidised rate, please visit https://www.taxmann.com/bookstore/icaimember.aspx
- To view paid income tax content of TIOL's website www.taxindiaonline.com at a subsidized price, please visit https://resource.cdn.icai.org/50544dtc150618.pdf
- Technical Guide on Understanding Income Tax Return Forms for AY 2018-19 at https://resource.cdn.icai.org/50544dtc150618.pdf
- Council Guidelines on Tax Audit Limit at https://www.icai.org/post.html?post_id=10354

TAX CONSULTANCY

Expatriate Taxation

Expatriates are people who visit other country for temporary duration for working in the Indian entity. Many of the multinational enterprises having presence globally may send some of its employees to countries where it has presence in order to assist the local company in their business activities. This phenomenon under is also known to as global mobility in the context of employment.

Income of the expats may be taxable in the country to which they are temporarily working. India has certain tax provisions which may apply to the expats visiting India. In order to determine their taxability in India, the residential status of such expats will become relevant. Residential status as per the Income-tax Act, 1961 ('the Act') will depend upon the period of stay of such expat in India.

Some of the solutions, which may be provided by Chartered Accountants in Expatriate Taxation matters, include:

- Obtaining Tax Registrations – Assist in obtaining the tax identification number (Permanent Account Number) of the expatriate from the income-tax authorities;
- Determine Residential Status – Based on the presence of the expat in India, the residential status of such expat may be determined under the Act;
- Issuance of technical opinions on questions of law;
- Monthly withholding tax calculation – Assist in computing the monthly tax liability of the expatriate in order to enable to the company to withhold applicable taxes in India including tax equalization amounts for grossing up tax;
- Annual Income tax return preparation and filing – Prepare the computation of income and assist in filing the annual income tax return of the expatriate in India.
- Representation before the revenue authorities including appellate level and tax tribunal and allied assistance on litigation management including strategic advisory
- Evaluating the applicability of the double taxation avoidance agreement with the relevant country, in relation to relevant streams of income;

NON-RESIDENT INDIANS (NRI) TAXATION

Indian citizens or people of Indian birth residing outside India could be termed as Non-Resident Indian. The era of globalization has led to large employee movements across the

International Taxation

globe. Employees are being sent to work in other countries which increases the tax complications for such employees in both the countries. Non-Resident Indians (NRI) are citizens of India or Persons of Indian origin who become non-residents in India on account of their duration of stay outside India.

In order to analyze the tax impact of NRIs in India, it would be relevant to determine the tax laws both, under the Act as well as the double taxation avoidance agreement. The foreign tax credits available to such NRIs shall also have to be evaluated.

Some of the solutions, which may be provided by Chartered Accountants in relation to NRI Taxation, include:

- Obtaining Tax Registrations – Assist in obtaining the tax identification number (Permanent Account Number) of the NRI from the income-tax authorities;
- Determining Residential Status – Based on the presence of the NRI in India, the residential status of such NRI may be determined under the Act;
- Property and investment transaction advisory – This would include advise to NRIs on acquisition and disposal of investments as well immoveable property and associated tax compliances if any;
- Issuance of technical opinions on questions of law;
- Pre and post NRI status advisory – Advise in relation to income tax disclosures pre and post NRI status including disclosures if any, under Undisclosed Foreign Investments and Assets Act 2015
- Preparing and filing Annual Income tax returns and transaction based challans for tax payments if any – Prepare computation of income and assist in filing the annual income tax return of the expatriate in India;
- Representation before the revenue authorities including appellate level and tax tribunal and allied assistance on litigation management including strategic advisory;
- Evaluating the applicability of the double taxation avoidance agreement with the relevant country, in relation to relevant streams of income;
- Assistance in claim of foreign tax credits, based on relevance;
- Issuance of remittance certificates under Form 15CA/ Form 15CB and other compliance certificates if any.

CROSS-BORDER TRANSACTIONS INCLUDING MERGERS AND ACQUISITIONS

Globalization and cross-border transactions has seen an upsurge in the number of Mergers and Acquisition transactions. In the year 2017, India has seen more than 1,000 mergers and acquisitions which is the highest in the current decade.

Under the previous Companies Act, 1956 (sections 391-394) it was possible for a foreign company to merge with an Indian company, but an Indian company could not be merged with a foreign company. This was intended to ensure that the company that continues after the merger is an Indian company over which the Indian regulatory authorities continue to exercise control. Under the Companies Act, 2013, however, section 234, which was effective from 13 April 2017, allows cross-border mergers both ways, subject to the fulfillment of certain conditions. This is intended to provide additional stimulus to cross-border mergers.

Some of the solutions, which may be provided by Chartered Accountants in relation to Cross Border Transactions include:

- Corporate reorganisations – Suggest suitable investment structure for the Overseas entities especially from Indian income-tax perspective including recommending suitable jurisdictions to locate the Overseas holding company for the proposed investments in India and suitable modes of investments in the Indian company.
- Capital reorganisations – Suggest appropriate alternatives viz. capital reductions, bonus issues, rights issues, preferential and debenture and bonds issues, share buybacks etc., involving non-resident stake holders. This aspect is relevant from overseas funding perspective as well.
- Fair Market Valuation of shares and investments – In case of associated enterprises or deemed to be associated enterprises, international or deemed international transactions, there could be a scope for advisory on the aspects of valuation from Indian transfer pricing regulations perspective.
- Transfer Pricing compliance review including profit attribution study in case of cross border transactions between related parties.
- Tax due diligence – Conduct a vendor/buyer tax due diligence which shall involve review of the past records of the company in order to find any gaps/observations which may have financial or other impact;
- Issuance of technical opinions on questions of law;
- Ideation on profit repatriation and exit options – Assistance in analyzing various possible modes of profit repatriation and exit of investments from India, based on the analysis of the tax laws and treaty provisions;
- IP/Intangibles Planning – Advising and evaluating alternatives for the location of the IP/intangibles owned by the group in appropriate jurisdiction in order to achieve tax efficiency;
- Obtaining certificate under section 197 – Assist in making an application to the income-tax officer to obtain a lower

withholding tax certificate under section 197 of the Act basis the computation of estimated profits or gains including losses if any attributable to the foreign entity in India;

- Issuance of remittance certificates under Form 15CA/ Form 15CB and other compliance certificates if any.
- Representation before the revenue authorities including appellate level and tax tribunal and allied assistance on litigation management including strategic advisory

ROYALTY AND FEES FOR TECHNICAL SERVICES

On account of increase in cross-border transactions, payments in the nature of royalty and fees for technical services ('FTS') have also increased considerably. The Organization for Economic Cooperation and Development (OECD) Model Convention and the United Nations (UN) Model Convention have an article for the taxation of royalty. However, the taxation of FTS was not there in both the Conventions. This is because, import of technical services is not common within the developed countries and thus, both the conventions never felt the need to include an article on taxation of FTS. However, with the changing times and considering the situation of the developing countries, the recently amended UN Model Convention 2017 has included an article on taxation of FTS.

Many of the double taxation avoidance agreement which India has entered into with the other countries does have an article on taxation of fees for technical services.

Some of the solutions provided by Chartered Accountants in relation to Taxation of Royalty/ Fees for Technical services include:

- Tax advisory – Assist in evaluating whether a payment would fall within the definition of 'royalty' or 'fees for technical services' both under the Act as well as under the double taxation avoidance agreement. Based on the analysis, advice on the applicable tax rate for the said payment.
- Preparation and filing of Income-tax Return – Assist the foreign entity in preparing and filing of the annual income-tax return declaring the income from royalty or FTS in the income-tax return;
- Withholding tax return – Assist the Indian entity in deducting taxes on royalty/FTS payments and preparing and filing the withholding tax returns in relation to such payments made to foreign entities.
- Issuance of technical opinions on questions of law;
- Issuance of remittance certificates under Form 15CA/ Form 15CB and other compliance certificates if any.
- Representation before the revenue authorities including appellate level and tax tribunal and allied assistance on litigation management including strategic advisory.

PERMANENT ESTABLISHMENT

The concept of permanent establishment ('PE') gained importance as many entities started carrying out business in foreign countries by way of presence in that country either through an office set-up or through any of its employee or other personnel. As the business is carried out by the entity in the foreign country, the right to tax income generated from such business should also be with that foreign country.

This gives rise to the cross-border taxation based on the PE of the entity in the foreign country. The double taxation avoidance agreement has generally two type of permanent establishment – fixed place and dependent agency PE. However, most of the double taxation avoidance agreements (DTAA) which India has entered into with other countries has an additional concept of Service PE wherein if the employee or personnel of the foreign entity is present in India for more than the specified threshold limit providing services to another person/entity in India then the said employee or personnel shall constitute a service PE of the foreign entity in India. Income attributable to the foreign entity on account of the presence of such employee/personnel in India shall be taxable in India.

Some of the solutions which may be provided by Chartered Accountants relating to Permanent Establishment aspects for non-residents include:

- Tax advisory – Analyze and review the facts of the foreign entity in order to determine whether the said foreign entity has any permanent establishment in India under the relevant double taxation avoidance agreement, read with the extant provisions of law including BEPS Action plans.
- Income attribution – Assist the foreign entity in carrying out the exercise of determining the income attributable to the foreign entity in India on account of it having a permanent establishment in India;
- Assistance in obtaining Tax Registrations – Assist the foreign entity in obtaining the tax identification number (Permanent Account Number) for its permanent establishment in India from the income-tax authorities;
- Obtaining certificate under section 197 – Assist in making an application to the income-tax officer to obtain a lower withholding tax certificate under section 197 of the Act basis the computation of estimated profits attributable to the permanent establishment of the foreign entity in India;
- Preparation and filing of Income-tax Return – Assist the foreign entity in preparation and filing of the income-tax return in relation to the permanent establishment in India;
- Issuance of technical opinions on questions of law;

- Representation before the revenue authorities including appellate level and tax tribunal and allied assistance on litigation management including strategic advisory.

GENERAL ANTI AVOIDANCE RULE (GAAR)

General Anti Avoidance Rule ('GAAR') has been introduced by the Government in order to target such arrangements which have been specifically entered with the object of avoiding taxes. The provisions of GAAR were first introduced in the Act by Finance Budget 2012, however, it finally came into effect from financial year 2017-18 onwards.

Some of the solutions which may be provided by Chartered Accountants in relation to aspects of GAAR, include:

- GAAR evaluation – Evaluate a transaction/structure from GAAR perspective in order to determine if there is any exposure of the said transaction/structure being considered as having entered into with the intention of avoiding taxes in India.
- Issuance of technical opinions on questions of law;
- Representation before the revenue authorities including appellate level and tax tribunal in relation to the arrangements alleged to have been anti-avoidance arrangements;

BASE EROSION AND PROFIT SHIFTING (BEPS) & MULTILATERAL INSTRUMENT (MLI)

Base erosion and profit shifting (BEPS) refers to tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations. Under the inclusive framework, over 100 countries and jurisdictions are collaborating to implement the BEPS measures.

In November 2016, over 100 jurisdictions concluded negotiations on the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting ("Multilateral Instrument" or "MLI") that will swiftly implement a series of tax treaty measures to update international tax rules and lessen the opportunity for tax avoidance by multinational enterprises. The MLI which was signed by 68 jurisdictions on 7th June 2017 will enter into force on 1st July 2018. The number of signatories as on date is 78 jurisdictions.

Based on the provisions of BEPS, many countries have already started amending their domestic tax laws to bring the same in line with BEPS. India is one such country where in the past two years, finance minister has brought in amendments such as introduction of equalization levy, secondary adjustment, concept of significant economic presence, modification of the dependent agent definition, etc. which are in line with the BEPS provisions.

Reiterating India's commitment to implement OECD's BEPS Action Plan 13, the CBDT has released the final rules on October 31, 2017 on the rules in respect of Country-by-country reporting ('CbCR') and Master File ('MF') as required to be furnished to tax authorities in terms of Section 286(8) and Section 92(D) of Income-tax Act. The new rules proposed to be inserted are Rules 10DA and Rule 10DB of the Income-tax Rules, 1962 (the Rules).

Some of the solutions which may be provided by Chartered Accountants in relation to BEPS & MLI, would include:

- BEPS Review – Undertake an entire review of the business model of the entity in light of the provisions of the BEPS and the amended provisions as per the Act, which are in line with BEPS.
- Modifications to existing business models – Based on the aforesaid review, suggest alterations or modifications to the existing business model in order to make it tax efficient and compliant with BEPS provisions.
- Tax Advisory – Any other advisory work in relation to the impact of BEPS/MLI to the business of the entity.
- Issuance of technical opinions on questions of law.
- CbCR and Master File related compliances.
- Other compliances similar to the one above, as may be mandated from time to time under the Act.

WITHHOLDING TAX ON FOREIGN REMITTANCES

As per the Act any sum payable to the non-resident which is chargeable to tax in India should be subject to withholding taxes. Accordingly, the person making the payment to the non-resident shall be liable to withhold appropriate taxes. In case the payer does not withhold taxes from the foreign remittances liable to tax in India then withholding tax proceedings shall be initiated against such payer. Further, the payer shall also not be eligible to claim deduction for such foreign remittances from its taxable income in India.

Some of the solutions which may be provided by Chartered Accountants in relation to Withholding tax on foreign remittances include:

- Applicability of withholding tax – Evaluate the withholding tax implications on foreign remittances both under the Act as well as under the relevant double taxation avoidance agreement and accordingly, advice the payer to withhold appropriate taxes;
- Issuance of technical opinions on questions of law;

- Issuance of Form 15CB – Assist in preparation and issuance of Form 15CB in cases where the foreign remittances are subject to withholding tax;
- Filing of the withholding tax return – Assist in preparation and filing of the withholding tax return in Form 27Q in relation to the foreign remittances.

FOREIGN TAX CREDIT

Foreign tax credit is the credit claimed in the country of residence for the taxes paid in any other country/source country in case the income is taxable both, in the country of source as well as the country of residence. The purpose of claim of foreign tax credit is to avoid double taxation of income. Accordingly, if an income is taxed in the source country then the same should not be taxed again in the country of residence.

Some of the solutions which may be provided by Chartered Accountants in Foreign Tax Credit, include:

- Eligibility of foreign tax credit – Verify various documents and calculate the amount of credit for the foreign taxes available in India;
- Issuance of technical opinions on questions of law;
- Filing of Form 67 – Assist the company in filing Form 67 in order to claim the foreign tax credit in India.

TRANSFER PRICING

In the last century, global trade consisted of cases of import and export of raw materials and of finished goods between independent parties. With the advent of the industrial revolution and later on revolutions in transportation and communication, moving materials, labour & funds across geographical and political boundaries became easier and efficient. Companies expanded rapidly to open subsidiaries and affiliates resulting in emergence of Multinational Enterprises (MNEs), spread out in various countries.

An accompanying development has been the increasing volume of transactions within the group called intra-firm transactions. The structure of transactions within an MNE group– associated enterprises is determined by a combination of the market and group driven forces which can differ from the open market between independent entities.

Surveys evidence that intra-firm trade is growing steadily and arguably accounts for around 60 per cent of international transactions. The obvious consequence is that a large and growing number of international transactions are no longer governed entirely by market forces, but by forces which are driven by common interests of the entities of a group.

Also many MNEs and financial services organizations are moving their back office operations to India to take advantage of huge skill available and as well as the cost arbitrage.

Evolution of Transfer Pricing at India: India started integrating its economy with global economy in 1991. This has led to increased cross border flow of goods, services, funds and even intangibles and a large inflow of Foreign Direct Investment. Many of the Indian companies have also become large global players with overseas subsidiaries in many tax jurisdictions. Transfer pricing in India was introduced in 2001 for curbing tax avoidance by laying down norms for "income arising from international transactions" to be computed at "arm's length price".

Transfer pricing encompasses areas such as inter- company pricing arrangements between related business entities, including transfers of intellectual property, transfers of tangible goods, services and loans and other financing transactions.

Reiterating India's commitment to implement OECD's BEPS Action Plan 13, the CBDT has released the final rules on October 31, 2017 on the rules in respect of Country-by-country reporting ('CbCR') and Master File ('MF') as required to be furnished to tax authorities in terms of Sec.286(8) and Sec 92(D) of Income Tax Act. The new rules proposed to be inserted are Rules 10DA and Rule 10DB of the Income-tax Rules, 1962 (the Rules).

All this provides immense opportunities to Chartered Accountants who are well positioned to provide end-to-end solutions to help companies manage the whole process.

Thus, in this environment, where change is rapid and international transaction flows are high, local transfer pricing knowledge and sound advice is paramount. Opportunities are certainly there but executives need advisers/Chartered Accountants who can bring in a global outlook, understand the business challenges and have deep expertise about the relevant industry.

CHARTERED ACCOUNTANTS HOLD HIGH SOCIAL AND PROFESSIONAL REPUTE IN INDIA

An important phenomenon of recent times is the rapid growth of the accountancy profession. The vast changes occurring in the economy of the country have been placing great responsibilities on the Chartered Accountants. It also constitutes a challenge to the profession to bring their knowledge and skill in their specialized fields of activity.

With the economic boom and complex tax structure, the profile of a Chartered Accountant has catapulted to a professional with a high-level of managerial skill with multi-disciplinary talent. Transfer Pricing Rules in India which necessitates filing of separate returns and related documents on cross border transactions has generated an additional demand for Chartered Accountants with specialization in overseas deals. The recent developments fueled by the BEPS Action Plan 13 in terms of transparent global disclosures by MNEs pose greater onus on the Chartered Accountants not only spread the awareness on the vivid changes on reporting but also adhere to their responsibility of optimum transparency to the revenue authorities across the globe.

Some of the Key Attributes for servicing in transfer pricing as a Professional Accountant:

- Client driven with strong commercial awareness;
- Strong communication skills - both written and oral;
- Able to develop innovative ideas and solutions, with the ability to think around a problem;
- Strong client relationship management skills with ability to develop quality outputs;
- Strong project management skills;
- Understanding of key risks and opportunities in tax management and effectively develop policies and processes to maximize benefits and minimize the risks;
- Manage relationships with revenue authorities.

Chartered Accountants on account of their intense training and possession of above skill-sets; have many professional opportunities, more so in an emerging economy such as India.

With business boundaries fast disappearing and the world becoming one market place, professional avenues have opened up both for domestic and overseas clients.

Some of the solutions which may be provided by Chartered Accountants in Transfer Pricing include:

- Business model study - Performing benchmarking study to ensure that all international transactions entered by persons are maintained at arm's length price;
- Documentation compliance – Assistance maintenance in keeping information and of documents required by persons involving international transactions with associated enterprises;
- Issuance of Chartered Accountants Certificate i.e., Form No. 3CEB - Required by persons involving international transactions with associated enterprises;
- Facilitating complete compliance with CbCR and Master File requirements
- Representation before the revenue authorities including appellate level and tax tribunal;
- Assistance with competent authority negotiations and mutual agreement procedures;
- Advisory Services such as -
  - Pricing risk transfers in intercompany transactions (e.g., market price volatility, risk or counterparty credit risk);
  - Pricing intangible assets, and modelling their value over time;
  - Setting interest rates, defending levels of inter-company debt, and pricing inter-company guarantees using credit rating models;
  - Determining arm's length cost sharing and buy-in payments for technical know-how;
  - Establishing inter-company charges for central services;
  - Implementation of advance pricing arrangements covering a variety of different types of transactions.

ICAI'S SUPPORT

Courses offered

Committee on International Taxation of ICAI is also offering Post Qualification Diploma in International Taxation for members. For details, please visit https://www.icai.org/new_post.html? post_id=13126

Important Links

- Licenses of Capitaline TP Corporate database at a concessional rate at https://www.icai.org/new_post.html?post_id=12914&c_id=219
- List of signatories and parties to the Multilateral Convention to Implement Tax Treaty Related Measures can be viewed at http://www.oecd.org/tax/treaties/beps-mli-signatories-and-parties.pdf
- Global Forum on Tax Transparency can be viewed at http://www.oecd.org/tax/exchange-of-tax-information/global-forum-marks-a-dramatic-shift-in-the-fight-against-tax-evasion-with-the-widespread-commencement-of-the-automatic-exchange-of-financial-information.html

The dynamic role of Chartered Accountants is not restricted only to Auditing, Accounting, Corporate Governance, Taxation, Corporate Laws etc., but the horizons have broadened even to being an Independent Director, Key Managerial Personnel, Insolvency Professional, Valuation Professional, etc. Many professional avenues have been opened up for the Chartered Accountants alongwith manifold challenges therein.

The Companies Act, 2013

OPPORTUNITIES AVAILABLE FOR CHARTERED ACCOUNTANTS

Chartered Accountants as Independent Directors

The idea of having Independent Directors on the Board is to bring objectivity to Board decisions, protect common interests of the company and its stakeholders, observe high ethical standards, foster improvement in corporate governance standards. Independent directors have to play a crucial role in framing the CSR policy and its implementation in the Board and Company with extended emphasis on global warming and climate change. The Chartered Accountants have a crucial role to play in corporate governance in general and as independent directors in particular.

Women Directors on The Board

Women Chartered Accountants are well-equipped and empowered to become Directors on the Boards of company.

Chartered Accountant as Key Managerial Personnel

The Act has for the first time defined Key Managerial Personnel and it includes Chief Financial Officer. As we all know Chief Financial Officers are mostly Chartered Accountants.

The legislative requirements for statutory disclosures by professional accountants relating to the financial affairs of a corporate are spread across a large number of statues and the purpose of such statements have to be viewed from the intention and requirement of such law and it is therefore a very important task to consolidate such statements/reports/opinion by accountants in one place.

Section 275 of The Companies Act, 2013

The provisional liquidator or the Company Liquidator, as the case may be, shall be appointed from a panel maintained by the Central Government consisting of the names of Chartered Accountants, Advocates, Company Secretaries, Cost Accountants or firms or bodies corporate having such Chartered Accountants, Advocates, Company Secretaries, Cost Accountants and such other professionals as may be notified by the Central Government or from a firm or a body corporate of persons having a combination of such professionals as may be prescribed and having at least ten years' experience in company matters.

Professional Assistance to Company Liquidator

As per Section 291 of the Companies Act, 2013, the Company Liquidator may, with the sanction of the Tribunal, appoint one or more Chartered Accountant on such terms and conditions, as may be necessary, to assist him in the performance of his duties and functions under this Act.

Right to Legal Representation

As per Section 432, a party to any proceeding or appeal before the Tribunal or the Appellate Tribunal, as the case may be, may either appear in person or authorize one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any other person to present his case before the Tribunal or the Appellate Tribunal, as the case may be.

Appointment of Chartered Accountants as Auditors

Section 139 to 148 of the Companies Act, 2013 deals with provisions related to Statutory Auditor.

This being the core area of practice of a Chartered Accountant needs no introduction or advertisement. Once an individual is qualified as a Chartered Accountant, he is given the advantage of being an Auditor and opportunity to deliver the best of services.

Chartered Accountants as Internal Auditors (Section 138)

(separately covered in the chapter of Internal Audit)

Other Services by Auditors (Section 144)

This section seeks to provide that an auditor can do such other services as approved by the Board or Audit Committee. The section further provides for the services which the auditor cannot perform, directly or indirectly to the company or its holding company, subsidiary company or associate company.

Appointment as Registered Valuer (Section 247) (Separately Covered Under Registered Valuer Chapter)

Appointment as Interim Resolution Professional and Insolvency Professional as per The Insolvency and Bankruptcy Code, 2016 (Separately Covered In Chapter of Insolvency Professional)

Valuation Report and Opinion on Scheme of Arrangement by Listed Entities

Securities and Exchange Board of India has issued guidelines *vide* circular dated 10.03.2017 related to Scheme of Arrangement by Listed Entities. The guidelines mandatorily require listed entities to submit valuation report from an Independent Chartered Accountant.

While considering the scheme of arrangement of any listed entity SEBI may also seek clarifications and opinion of a Chartered Accountant the merits and viability of draft scheme of arrangement.

ICAI'S SUPPORT

Important Links

- Webpage of Corporate Laws & Corporate Governance Committee at https://www.icai.org/new_post.html?post_id=5483&c_id=308
- Summary of Provisions of The Companies (Amendment) Ordinance 2018 at https://resource.cdn.icai.org/52614clcgc42176.pdf
- Guidance Note on the Schedule III to the Companies Act, 2013 at https://resource.cdn.icai.org/45059clcgc35038.pdf
- Frequently Asked Questions on the provisions of Companies Act, 2013 at https://resource.cdn.icai.org/45163clcgc35207.pdf

10 Arbitration

ARBITRATION, MEDIATION AND CONCILIATION

Arbitration, by its very nature, is meant to be an alternative to courts and a speedier remedy for dispute resolution. Almost all disputes – Commercial, Civil, Labour, Family, etc., can be settled through Arbitration, Mediation and Conciliation.

The Alternate Dispute Resolution process has been proven to work in the business environment, especially in respect of disputes involving joint ventures, construction projects, partnership differences, intellectual property rights, etc.

PROFESSIONAL OPPORTUNITIES UNDER ALTERNATIVE DISPUTE RESOLUTION

Section 2(2)(iv) of the Chartered Accountants' Act, 1949 read with Regulation 191 of the Chartered Accountants' Regulations, 1988 specifically provides that a Chartered Accountant in his professional capacity is allowed to act as an Arbitrator.

Chartered Accountants with their objective, independent and balanced approach to a problem can be ideally placed to act as arbitrators or conciliators and play a mediator's role in resolving conflict situations between partners, business associates, employers and employees etc.

REPRESENTING THE CLIENT IN THE ARBITRAL PROCEEDINGS

In recent times, there is a move all over the world to encourage professionals and experts like Chartered Accountants, to play an active role in arbitral processes. The objective of arbitration is to provide expeditious, efficient and economic justice to the aggrieved parties as it is felt that too much legality defeats the very purpose of arbitration. A Chartered Accountant can equip himself to enter into the field with considerable advantage. A Chartered Accountant normally represents the cases of his clients before various authorities including the Tribunals, Company Law Benches, SEBI, RBI etc. He can definitely specialize in arbitration matters particularly those connected with breach of contracts, insurance claims, loss of profit, securities fraud, commercial disputes, rights of properties, lease transactions etc. and represent his clients in Arbitral proceedings.

AS AN EXPERT

Under Section 26(1) of the Arbitration and Conciliation Act, 1996 the Arbitral Tribunal may appoint expert/s to report on any specific issue to be determined by it. It may also require the parties to give the expert any relevant information, explanations, or to produce or provide access to any relevant documents, goods or other property for inspection. An expert may be examined and cross-examined by a party on request

Arbitration

of a party and where an arbitral tribunal considers it necessary. A Chartered Accountant can help the arbitral tribunal in the capacity of an expert in matters relating to accounts, commercial transactions, lease transactions etc., where he has sufficient domain knowledge.

AS A CONCILIATOR

Conciliation is a process by which the conciliator endeavours to bring the disputant parties to an agreement. A conciliator is generally an independent third party who mediates for the disputing parties in order to bring them to a mutually acceptable settlement. A mediator is normally taken to be a person of the disputant's choice. The conciliator is instrumental in drawing up the terms of settlement in the shape of an agreement, consequent upon comprehensive discussions with the parties to the dispute. A Chartered Accountant in his day-to-day practice often helps his clients in settling their disputes through conciliation. CA's can serve as professional conciliators. With the acquisition of thorough knowledge on the process of mediation, negotiating skills and related techniques of conciliation a Chartered Accountant can act as a successful professional conciliator thereby adding to the array of services he provides.

OTHER AREAS

- Drafting of Arbitration Agreements
- Member of Arbitral Tribunal
- Acting as arbitrator
- Acting as Arbitrator in different countries.

INTERNATIONAL COMMERCIAL ARBITRATION

- Helping the clients in the process of Selecting an Arbitration Institution.
- Helping the Clients in selecting the arbitration format and structure without using an arbitration institution in the case of *Ad hoc* arbitration.
- Helping the clients in determining the procedural law to be applied to the arbitration depending on the legislations relating to arbitration in various countries.
- Drafting commercial trade agreements in consonance with the principles of Alternative Dispute Resolution.
- Drafting Arbitration clauses in international contracts.
- Drafting of a proper arbitration agreement considering the arbitration rules promulgated by various international institutions, is a job to which the Chartered Accountant can apply his expertise.

ICAI'S SUPPORT

Courses offered

- The Committee on Economic, Commercial Laws & WTO is offering a Certificate Course on Arbitration, Mediation & Conciliation, for details, please visit https://www.icai.org/post.html?post_id=11739
- International Chamber of Commerce https://iccwbo.org/
- India International Chamber of Commerce www.iccindiaonline.org

11 Prevention of Money Laundering Act

Prevention of Money Laundering Act

PREVENTION OF MONEY LAUNDERING ACT, 2002

Prevention of Money Laundering Act, 2002 and the Rules notified thereunder came into force with effect from July 1, 2005. Director, Financial Intelligence Unit-IND and Director (Enforcement) have been conferred with exclusive and concurrent powers under relevant sections of the Act to implement the provisions of the Act. The broader concept of 'reporting entity' was also introduced which includes a banking company, financial institution, intermediary or a person carrying on a designated business or profession.

Chartered Accountants with their inherent abilities sharpened by the specialized knowledge of accounts, finance & law, experience and attention to detail can provide the following services to their clients, being reporting entities, law enforcement agencies and others in relation to the Prevention of Money Laundering Act, 2002

Professional opportunities in this area include:

A. As Consultants

(a) By their vast expertise in handling huge quantitative data for verification of the exact nature of transactions.

(b) Developing data marts to track and monitor deviant patterns and analyzing customer behaviour pattern.

(c) By building effective AML programs for the financial organisations to protect them from the potential threats.

B. As the Trusted Partner of the Government

(a) By implementation of the Act in letter and spirit. The implementation assistance could be in the form of developing Anti-Money Laundering (AML) Policy and Control architecture.

(b) By Know Your Customer (KYC)/Prevention of Money Laundering Act, 2002 [PMLA] Investigations and Inspections.

C. Conducting KYC Audit

(a) By using customers due diligence procedures to confirm the identity of clients from the records produced by him.

(b) By systems audit for checking customer's identity from external database.

(c) By formulating and implementing the programme of KYC and forwarding it to to the Director appointed under PMLA as required under the PML (maintenance of records) Rules 2005.

D. Advisory services

(a) By identifying the risk & mitigating controls in the customer area of acceptance, retail, banking and sales channel management.

E. General role

(a) Special reviews, inspections and investigations arising from Suspicious Transaction Reporting (STR).

(b) As Compliance advisors: by interpreting various provisions of law and procedures and drafting documents.

(c) Functional Consultants as implementers of AML systems.

F. Other opportunities to CAs under PMLA

(a) CAs having specialized qualifications as may be prescribed and having experience in the field of finance and accounts, can be appointed as a members of the Adjudicating Authority constituted u/s. 6 of the PMLA.

(b) A CA can be an "authorised representative" [as defied under section 288(2) of the Income-tax Act, 1961] and can appear on behalf of its client in respect of an appeal preferred before the Appellate Tribunal section 39of PMLA.

G. Audit under PMLA Act, 2002 – A new Vista opened for Chartered Accountants

Sub–section (1A) of section 13 of the PMLA Act, 2002 as amended till date, confers the following power on the Director to ensure compliance:-

"(1A) If at any stage of inquiry or any other proceedings before him, the Director having regard to the nature and complexity of the case, is of the opinion that it is necessary to do so, he may direct the concerned reporting entity to get its records, as may be specified, audited by an accountant from amongst a panel of accountants, maintained by the Central Government for this purpose.

(1B) The expenses of, and incidental to, any audit under sub-section (1A) shall be borne by the Central Government."

Further enabling provisions have also been inserted *vide* Rule 10B of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (w.e.f. 27.08.2013) as under:—

"10B. Expenses for audit.

- The expenses of, and incidental to, audit referred to in sub-section (1A) of section 13 of the Act (including the remuneration of the accountant, qualified assistants, semi- qualified and other assistants who may be engaged by such accountant) shall be paid in accordance with the amount specified in sub-rule (2) of Rule 14B of the Income-tax Rules, 1962 for every hour of the period as specified by the Director.
- The period referred to in sub-rule (1) shall be specified in terms of the number of hours required for completing the report.
- The accountant referred to in sub-section (1A) of section 13 of the Act shall maintain a time sheet and submit it to the Director, along with the bill.
- The Director shall ensure that the number of hours claimed for billing purposes is commensurate with the size and quality of the report submitted by the accountant."
- While Rule 10B read with section 13(1A) and 13(1B) are self explanatory, it may be noted that by virtue of the above amendments, a whole new gamut of opportunities have been thrown open to Chartered Accountants.

ICAI'S SUPPORT

Courses offered

- The Committee on Economic, Commercial Laws & WTO is offering a Certificate Course on Anti Money Laundering Laws for details, please visit https://www.icai.org/post.html?post_id=11740

12 Insurance Companies

Insurance Companies

INSURANCE SECTOR

Chartered Accountants can provide their services to Insurance enterprises in the field of risk management, insurance management, insurance fund management, insurance marketing, underwriting management, claims management, loss adjustment, re-insurance, product development, actuarial science and many allied areas such as:

NEW PRODUCT CREATION

CAs with appropriate customer understanding can design appropriate products, determine price correctly and increase profitability. They can advise on premiums, rebates and the like for products unique to specific industries/companies and suggest risk-mitigating measures.

UNDERWRITING

Underwriting, a core insurance activity, involves classification of risks on the basis of risk characteristics so that insured parties pay premiums proportionate to the risk. CAs can provide their services in analysing the information to determine the right prospect and also secure profitable business to the insurer.

POLICY OWNER SERVICES

It has been accepted fact that notable new insurance business are generated through the existing policy holders and the principles of Customer Relationship Management has to be adopted which warrants the involvement of professionals like CAs.

CLAIMS ADMINISTRATION

This is a structured method of managing claims right from the initial report to the final payment or appeal - typically following an existing system. Claims processing is highly data intensive and time sensitive. CAs can provide their services in effective management and understanding the system and interaction with the concerned parties.

MARKETING AND DISTRIBUTION CHANNELS

CAs with appropriate public interface can help the public to appreciate the need for personal financial planning, estate and retirement planning. Chartered Accountants as an Insurance Advisors can render valuable advice to his clients/customers in selecting among various Non- Life Insurance Policies. They can, based on the needs and risk profile of the client, advise them the best Insurance Policy to cover the risks to their life and property.

INSURANCE BROKING

The opening up of the industry has resulted in a deluge of insurance products. Expertise in accounting and tax makes CAs ideal insurance brokers to render advice on technical matters, assist in negotiation and settlement of claims, maintain records of client's business and much more,

CLAIMS AUDIT SERVICE

This area calls for specialised knowledge in risk management, audit of outsourced claims service providers and cost containment measures in relation to the overall claims spend. With their traditional audit knowledge and experience, CAs, can fit into this role with ease.

ACTUARY

Chartered Accountant with expert knowledge on actuarial science can be of immense help and helps in carrying out actuarial services such as complying with the provisions with respect to the bases of premium, ensuring that the policyholders' reasonable expectations have been considered in the matter of valuation of liabilities and distribution of surplus to the participating policyholders who are entitled for a share of surplus etc.

SURVEYOR OR LOSS ASSESSOR

An insurance surveyor is a technical expert who inspects the damage or loss of an insurance company. There are advocacies for survey and loss assessment job should be carried out by an independent, third party, licensed and categorised surveyor only. A Chartered Accountant can be of immense help in assessing the damage or the loss to the object of Insurance. This area includes general functions like conducting inspections, estimating and valuing the subject under loss.

ICAI'S SUPPORT

Courses offered

- Diploma in Insurance and Risk Management (DIRM) at https://www.icai.org/post.html?post_id=996

Important Links

- Relevant information on Banking, Insurance and Pension & Financial Markets at https://www.icai.org/post.html?post_id=5629
- Other important links at https://resource.cdn.icai.org/18420implinks.pdf

13 Local Bodies

Another area in which the services of the Chartered Accountants can be gainfully utilised is the audit of local bodies. During the last one decade or so, the Union Government as well as the State Governments have been placing an increasing emphasis on utilising the gram panchayats and panchayat samities as the basic agencies for local development. Opportunities for Chartered Accountants in Local Bodies

The Accounting Reforms are underway in the local bodies. Accrual based financial statements are also one of the requirement of raising funds from capital market through issuance of municipal bonds. The opportunities to the Chartered Accountants in this emerging area are as under:

Local Bodies

CONVERSION OF ACCOUNTS TO ACCRUAL BASED DOUBLE ENTRY ACCOUNTING SYSTEM

- Assessment of existing system and requirements including review of legislative framework with reference to existing laws for smooth transition into Double Entry Accounting System and issuance of municipal bonds.
- Review of existing State Municipal Accounts Manual/ support in preparation of State Municipal Accounts Manual for Local Bodies.
- Business process re-engineering with reference to implementation of accrual system of Accounting and municipal bond issuance.
- Categorisation, grouping and sub-grouping of assets and liabilities.
- Design of Chart of Accounts with Accounting Codes.
- Determination and valuation of fixed assets including infrastructure assets, current assets, investments, long-term liabilities, current liabilities and net worth as on opening balance sheet date.
- Preparing of accounting policies, formats of financial statements and voucher format under accrual accounting system.
- Preparation of opening balance sheet and financial statements for the transition period.
- Design and implementation of Double Entry Accrual Accounting System for Local Bodies.

IMPARTING TRAINING

- Training of finance and accounts personnel of Local Bodies to build their capacity for implementing of accrual accounting reforms and issuing municipal bond.
- Training to the trainers on the aforesaid areas.

AUDITING AND ASSURANCE SERVICES

- Assignment such as Internal Audit, Statutory Audit, and Special Audit of Local Bodies andAudit of Corporate Municipal Entities (CMEs), Escrow Account and the Project Account as per relevant municipal bonds guidelines/ regulations.

MANAGEMENT CONSULTANCY SERVICES

- Providing assistance as domain expert to the agencies designated by the Government for computerisation of records and Accounting System.
- Advising the Local Bodies in Statutory compliances, preparation of Detailed Project Feasibility Reports required to be submitted to the funding Agencies/ programmes such as World Bank, Asian Development Bank and under any government scheme for enabling them to access capital market and financial institutions for the capital investment.
- Design and implementation of Budgetary Control System in the line with the Accrual Accounting System and linkage among Budgetary System and Financial Management information System and Decision making system.
- Revenue system assessment and financial analysis of revenue and expenditure exploring potential for raising debt capital for projects, assessing financial viability of investment plans, preparation of financial projections, revenue mobilisation plans and project feasibility reports of Local Bodies, undertaking detailed revenue potential assessments, cost determination, control and reduction analysis, facilitating public private partnership in new projects and assist in bid process management, negotiations, etc.
- In the area of municipal bond issuance, providing assistance to the municipalities for creating Corporate Municipal Entities (CMEs) as per norms and providing assistance in rating of bonds by providing required information to the rating agencies to rate the bond issue.

OTHER SERVICES

- Necessary certifications in relation to the bond issue and advising local bodies with regard to various statutory compliances as per the relevant regulations and guidelines.

ICAI'S SUPPORT

Important Links

- Accounting Standards for Local Bodies can be viewed at https://www.icai.org/new_post.html?post_id=1527&c_id=270
- Publication related to Local bodies can be viewed at https://www.icai.org/post.html?post_id=4043
- Publication on Municipal Bonds for Financing Urban Infrastructure in India https://resource.cdn.icai.org/49031caslb32852.pdf
- ICAI Government Accounting Standards Advisory Board (GASAB) at https://www.icai.org/post.html?post_id=1529
- Website of International Federation of Accountants can be viewed at www.ifac.org
- Website of Governmental Accounting Standards Board can be viewed at www.gasb.org
- Website of Chartered Professional Accountants Canada can be viewed at www.cica.ca
- Website of Australian Accounting Standard Board can be viewed at www.aasb.gov.au

14 Special Economic Zones (SEZ)

Special Economic Zone (SEZ) is a specifically delineated duty free enclave and shall be deemed to be foreign territory for the purposes of trade operations and duties and tariffs.

W.e.f. 10th February, 2006 the activities relating to Special Economic Zones are guided by the provisions contained in the Special Economic Zones Act, 2005 and the Special Economic Zones Rules, 2006. Amendments were made in the Special Economic Zones Rules by way of:

- The Special Economic Zones (Amendment) Rules, 2006 which came into force on 10.08.2006 (*vide* Notification NO G.S.R. 470(E), dated 10-8-2006)
- The Special Economic Zones(Amendment) Rules, 2007 (*vide* Notification dated 16.03.2007)
- The Special Economic Zones (Second Amendment) Rules, 2007 (*vide* Notification dated 12.10.2007)

Special Economic Zones (SEZ)

FOREIGN TRADE POLICY (FTP)

Foreign Trade Policy means the Foreign Trade Policy notified from time-to-time by the Central Government under section 5 of the Foreign Trade (Development and Regulation) Act 1992 (22 of 1992);

AGRI-EXPORT ZONES (AEZ)

The Government of India (GOI) had announced the creation of Agri Export Zone (AEZ) in the EXIM POLICY 2001-02 with the objective of promoting greater exports of fresh and processed agricultural produce from the country. The scheme is implemented by the Ministry of Commerce, GoI, through APEDA (the Agriculture and Processed Food Export Development Authority), New Delhi which is the nodal agency for AEZ.

BIO-TECHNOLOGY PARKS (BTP)

The Government of India first proposed to establish Biotechnology Parks in the country with all the facilities of 100% Export Oriented Unit in the foreign Trade Policy (2004-09).

Bio-technology encompasses any technique, which uses living organisms or parts thereof to make or modify products, improve plant or animal productivity or to develop micro organisms for specific use. BTP means Biotechnology Park as notified by Director General of Foreign Trade on the recommendation of the Department of Biotechnology (Ministry of Science and Technology).

ELECTRONIC HARDWARE TECHNOLOGY PARKS (EHTP)

For encouraging exports of electronic hardware items including hard disk drives, computers, television, etc., such parks have been developed by the Ministry of Communications & Information Technology. An Electronic Hardware Technology Park (EHTP) may be an individual unit by itself or a unit located in an area designated as EHTP Complex. As in the case of STP Scheme, the EHTP Scheme is also administered by the Ministry of Communications & Information Technology. Incentive Package for Electronic Hardware was announced in the Foreign Trade Policy 2002- 07. An EHTP can also be set up by the Central Government, State Government, public or private sector undertakings or any combination of them.

100% EOU SCHEME

A 100 per cent export-oriented unit is an industrial unit offering for export its entire production, excluding the permitted levels of domestic tariff area sales for manufacture of goods, including repair, re-making, reconditioning, re-engineering and rendering of services. Trading units are not covered under this scheme

The Export Oriented Unit (EOU) scheme was introduced in the year 1980 *vide* Ministry of Commerce resolution dated 31st December 1980. The purpose of the scheme was basically to boost exports by creating additional production capacity. The EOU scheme is complementary to the EPZ scheme, except that it is widely dispersed in location, unlike EPZs, which are set up at specific locations. The Export Oriented Unit (EOU) Scheme, which had been introduced in the early 1980s remains in the forefront of country's export production schemes. The scheme has witnessed many changes over the last twenty-four years in the context of ever changing economic realities. However, the basic premise remains the same. The premise is that the exporters are treated as a special class and given the required tariff, non-tariff and policy support to facilitate their export efforts. Thus, today the EOU Scheme has emerged as a dynamic policy initiative facilitating the exporting community in the task of increased exports. Earlier, the scheme was basically for manufacturing sector with certain minimum value addition in terms of export earnings. The EOU scheme is presently governed by Chapter 6 of the Foreign Trade Policy 2004-09 and Chapter 6 of the Handbook of Procedures and Appendix 14-IA to Appendix 14-IN.

FREE TRADE AND WAREHOUSING ZONES

The concept of Free Trade and Warehousing Zones was introduced by Chapter 7A of the Foreign Trade Policy 2004-09 on 31st August 2004. Chapter 7A has been deleted in the Foreign Trade Policy 2006-07. The Special Economic Zones Act 2005 and Special Economic Zones Rules 2006 now apply to FTWZs from 10th February 2006.

The scheme envisages creation of world-class infrastructure for warehousing of various products, state-of-the-art equipment, transportation and handling facilities, commercial office-space, water, power, communications and connectivity, with one-stop clearance of import and export formality, to support the integrated Zones as 'international trading hubs'. These Zones would be established in areas proximate to seaports, airports or dry ports so as to offer easy access by rail and road.

Though no manufacturing activity would be permitted, activities like repackaging would be permitted in these zones.

INTERNATIONAL FINANCIAL SERVICES CENTRE (IFCS)

Financial Centres can be broadly categorized into two:

International Financial Centres (IFCs) and Offshore Financial Centres (OFCs).

The full potential of an IFC is demonstrated by centres such as New York, London and Singapore where offshore business is conducted alongside large domestic financial intermediation. In most cases, offshore activities are not ring- fenced from domestic operations and they usually operate in the same regulatory and fiscal environment. IFCs have a highly matured and developed economy and sophisticated, deep and liquid domestic markets.

An Offshore Centre commonly refers to a smaller and less mature jurisdiction that attracts capital through a simple regulatory framework, minimum legal requirements for incorporation and operation, favourable tax treatment and stringent confidentiality requirements.

The provisions for setting up IFSC are laid down in Section 18 of The Special Economic Zones Act, 2005. Accordingly, the Central Government may, subject to such guidelines as may be framed by the Reserve Bank, the Securities and Exchange Board of India, the Insurance Regulatory and Development Authority and such other concerned authorities, as deemed fit, prescribe the requirements for setting up and the terms and conditions of the operation of Units in an International Financial Services Centre. Till date no terms and conditions has been prescribed by Central Government for setting up of International Financial service centre.

OFFSHORE BANKING UNITS (OBU)

OBU are virtually foreign branches of Indian banks but located in India and would be exempt from Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR). The Union Commerce Minister had first announced the setting up of OBUs in SEZ in the EXIM Policy 2002-07.The terms and conditions subject to which an Offshore

Banking Unit may be set up and operated in a Special Economic Zone shall be as specified in the Notification number FEMA 71/2002- RB dated 7th September, 2002 by the Reserve Bank of India, as amended from time-to-time.

SOFTWARE TECHNOLOGY PARKS OF INDIA (STPS)

Software Technology Parks (STPs) are export- oriented projects catering to the needs of software development for exports. The present provisions of the STP scheme are contained in Chapter 6 of the Foreign Trade Policy 2004-09. The procedures are included in Chapter 6 of the Handbook of Procedures and Appendices to the Handbook of procedures issued under the Foreign Trade Policy 2004-09. Software Technology Parks of India is an autonomous organization under Ministry of Communications and Information Technology, Govt. of India. New fiscal incentives offered under this scheme, infrastructure created by STPI and the investor-friendly environment have contributed to a steep growth in the Software Exports from India.

The opportunities for Chartered Accountants in the above entities are as follows:

- Assistance in preparation of project report: A project report outlining the economic and commercial viability of the project needs to be attached along with Form A i.e. Application for setting up a unit in Special Economic Zone.
- Assistance in necessary applications, compliances etc. with the Board of Approval State Government, Development Commissioner, Approval Committee, etc.
- Consultancy services for developing Special Economic Zones.
- Consultancy services for setting up units in Special Economic Zones.
- Representation before Board of Approval on behalf of any person aggrieved by the order passed by the Approval Committee.
- Rule 55 of Special Economic Zones Rules, 2006 states that any person aggrieved by an order passed by the Approval Committee under section 15 of the Special Economic Zones Act, 2005 or against cancellation of Letter of Permission under section 16, may prefer an appeal to the Board in the Form J.
- Rule 61 of the Special Economic Zones Rules, 2006 states every appellant may appear before the Board in person or authorize one or more chartered accountants or company secretaries or cost accounts or legal practitioners or any of his or its officers to present his or its case before the Board.
- Certification of reports – Form I (Annual performance reports for Units).
- There is a requirement under Rule 22 of the Special Economic Zones Rules, 2006 that the grant of exemptions, drawbacks and concession to the entrepreneur or developer of a Special Economic Zone will be subject to the condition that the Unit submits an Annual Performance Report in Form I to the Development Commissioner who in turn will submit it to the Approval committee for his consideration. The information given in the form should be authenticated by the authorized signatory of the unit and certified by a Chartered Accountant.
- Audit report under section 80-I(7)/80-IA(7)/80-IB/80-IC of the Income-tax Act, 1961 in Form 10CCB.
- Report under section 10A(5) and section 10B(5) of the Income-tax Act, 1961 in FORM No. 56F and Form No. 56G respectively certifying that the deduction has been made in accordance with the corresponding section.
- Report under section 80LA(3) of the Income-tax Act, 1961 in Form No. 10CCF.
- Report on Annual performance of units -The information given in the formats for APRs should be authenticated by the authorized signatory of the unit and should be certified for its correctness by a Chartered Accountant with reference to the account records and registers maintained by the unit (Appendix 14-I-F Handbook of Procedures of Foreign Trade Policy.

  http://nbaindia.org/uploaded/Biodiversityindia/Legal/6.%20Import%20and%20Export%20(Control)%20Act,%201947.pdf
- Certificate on production and exports. DTA sale of Gem & Jewellery items will be permitted on annual basis by the Development Commissioners up to 10% of FOB value of exports during the preceding year subject to certain conditions. One such condition is that the application by an EOU has to be submitted to DC concerned on yearly basis (licensing-year) giving the details of production and exports made during the preceding licensing year duly certified by a Chartered Accountant and endorsed by the jurisdictional Custom Authority. (Appendix 14-I-H Handbook of Procedures of Foreign Trade Policy).

  http://nbaindia.org/uploaded/Biodiversityindia/Legal/6.%20Import%20and%20Export%20(Control)%20Act,%201947.pdf
- Certificate for Central Sales Tax (CST) reimbursements certifying receipt of the goods (Appendix 14-I-I Handbook of Procedures of Foreign Trade Policy). The Export Oriented Units (EOUs) and units in Electronic Hardware Technology Park (EHTP) and Software Technology Park (STP) will be entitled to full reimbursement of Central

Sales Tax (CST) paid by them on purchases made from the Domestic Tariff Area (DTA), for production of goods and services as per EOU Scheme subject to certain conditions. The unit has to present its claim for reimbursement of CST in the prescribed form to the Development Commissioner of the SEZ concerned or the designated officer of the EHTP/ STP.

http://nbaindia.org/uploaded/Biodiversityindia/Legal/6.%20Import%20and%20Export%20(Control)%20Act,%201947.pdf

Important Links

- Handbook on Foreign Trade Policy and Guide to Export & Import can be viewed at http://nbaindia.org/uploaded/Biodiversityindia/Legal/6.%20Import%20and%20Export%20(Control)%20Act,%201947.pdf
- Directorate General of Foreign Trade https://dgft.gov.in/
- Export/ Import http://www.eximkey.com/
- Ministry of Finance http://finmin.nic.in/
- Ministry of Commerce & Industry https://commerce.gov.in/
- Ministry of Company Affairs http://www.mca.gov.in/
- Income Tax, India http://incometaxindia.gov.in/
- Reserve Bank of India http://www.rbi.org.in/
- Special Economic Zones in India http://www.sezindia.nic.in
- Free Trade Warehousing Private Limited (FTWPL) http://mmtclimited.com/pages/display/186-free-trade-warehousing-pvt.-ltd.
- Department of Biotechnology (DBT)) http://dbtindia.nic.in/
- Software Technology Park of India/Electronic Hardware Technology Park http://www.stpi.in/
- Agricultural and Processed Food Products Export Development Authority (APEDA) http://apeda.gov.in/apedawebsite/
- Agri-Export Zones http://www.apeda.gov.in/apedawebsite/trade_promotion/Agri_Export_Zone.htm
- Santacruz Electronics Export Processing Zone http://seepz.gov.in/seepz_sez.aspx
- Kandla Special Economic Zone http://kasez.gov.in/
- Cochin Special Economic Zone http://www.csez.com/
- Madras Special Economic Zone http://sezindia.nic.in/cms/madras-special-economic-zone.php
- Noida Special Economic Zone http://www.nsez.gov.in/
- Visakhapatnam Special Economic Zone http://www.vsez.gov.in/
- Falta Special Economic Zone http://fsez.gov.in/home.html
- Surat Special Economic Zones http://www.sursez.com/
- Indore Special Economic Zone http://indoresez.nic.in/
- Export Promotion Council http://commerce.gov.in/InnerContent.aspx?Id=6

REGULATIONS APPLICABLE TO NBFC

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 and is engaged in the business of loans and advances, acquisition of shares/stock/ bonds/debentures/securities issued by Government or local authority or other securities of like marketable nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, sale/ purchase/ construction of immovable property. A non-banking institution which is a company and which has its principal business of receiving deposits under any scheme or arrangement or any other manner, or lending in any manner is also a non-banking financial company.

The legal framework of Non-banking companies is provided in Chapter III B, III C and Chapter V of the Reserve Bank of India Act, 1934. Chartered Accountants can be engaged in conducting a compliance audit that would include detailed examination of applicability of various laws, regulations and directions, scrutiny of various records including financial statements, balance sheets etc. and issuance of report on compliance or non-compliance of laws by these establishments along with remedial action, wherever required. Examination of total compliance adherence would start from the top of the organizational hierarchy and go down into the core business processes of a company's operations.

SCOPE OF WORK UNDER NBFC

- To carryout end use verification of beneficiaries by carrying out field visits to ensure eligibility status & proper end use of funds by examination of records/ visits as deemed appropriate as per the NBFC Schemes.
- If so desired by the NBFC, to undertake periodic visit to the office and field areas of the lending institutions and as a rule, the gap between any two visits to a particular MFI should not be more than six months. Frequent visits may require for some of the cases, as advised by the NBFC from time-to-time.

Non-Banking Financial Companies (NBFCs)

- Field visit should, *inter alia,* involve visiting office of the borrower entity of NBFC, discussions with Chief Executives/Management of the lending institution, discussion with staff and participatory discussions with clients of borrower entity.
- Reporting to NBFC in the prescribed format regarding the work undertaken as per directions of NBFC from time-to-time.
- Valuation of Properties
- Due Diligence for NBFC*
- Field investigating agencies
- Stock Auditors/Valuers
- Concurrent Audit
- Receivable Audit
- Forensic Audit
- Revenue Audit
- Audit of NPS

CRITERIA USUALLY SET OUT FOR EMPANELMENT FOR NBFC

- The Firm should possess a valid registration (Firm constitution Certificate)/from the Institute of Chartered Accountants of India.
- The CA firm shall have minimum 2 partners. Details of each partner including experience, qualification etc. and their Membership Number with Institute of Chartered Accountants of India to be submitted.
- The CA firm shall have minimum 5 years of relevant experience of certification of Book Debts, monitoring visits, regulatory certifications required by RBI and other regulators, for NBFC-MFIs/ NBFCs/Banks.
- The firm shall have suitable Infrastructural facilities, including office set up and qualified manpower for carrying out such exercises. The key professional staff shall have the competence and experience to carry out the assignment in a time bound manner.
- The firm shall have wide presence preferably across States. The preference also be given to CA Firms having presence and operations in the States of Uttar Pradesh, Bihar, West Bengal, Odisha, Karnataka, Madhya Pradesh, Tamil Nadu, Kerala, NCR, Assam, Chhattisgarh, Rajasthan, Maharashtra & Jharkhand.
- The firm shall execute undertaking of fidelity and secrecy on its letterhead in the format prescribed by NBFC.
- The firm shall ensure that the exercise is carried out in a professional manner and in case of any misconduct & negligence, NBFC reserves the right to report the matter to ICAI/RBI, under the regulation/guidelines issued from time-to-time.
- The CA Firm should not sub-contract the assignment to any other firm/ company/ third party or other persons.
- A declaration to be furnished by the firm regarding its interests, if any, in the assisted unit of NBFC (for which due diligence exercise needs to be carried out) in the capacity of Director/ promoter etc.
- A declaration should be furnished by the firm that credit facilities availed by the firm or partners or firms in which they are partners or directors including any facility availed by a third party for which the firm or its partners are guarantor/s have not turned or are non- performing assets, as per the prudential norms of RBI. In case the declaration is found incorrect, the assignment would get terminated besides the firm being liable for any action under ICAI/RBI guidelines.

PROFESSIONAL OPPORTUNITIES UNDER THE NON-BANKING FINANCE SECTOR

- Assist in Application for Registration with Reserve Bank of India (RBI) to commence /carry on any business of non-banking financial institution.
- Obtain specific authorization from RBI to accept deposits from the public and maintain the Liquid Asset Requirement as required by RBI.
- A wide gamut of legislations is applicable to NBFCs and assistance may be provided in compliance with them.
- Compliance with RBI Directions and Prudential Norms.
- Submission of Annual, Quarterly and Monthly Returns.

- Ensure adherence with Know Your Customer Guidelines, Fair Practice Code, Corporate Governance Guidelines etc.
- Issue Certificate as required from Statutory Auditors by NBFCs having Foreign Direct Investment (FDI) for compliance with the RBI Master directions.
- Internal Audit.
- Statutory Audit.
- Compliance Audit of various Regulations.

ICAI'S SUPPORT

Important Links

- Members may refer NBFC Corner at https://www.icai.org/post.html?post_id=5189&c_id=91

Other Important Links

- Empanelment for Field Investigating Agency – Sample: https://www.bankofmaharashtra.in
- Empanelment for Stock auditor – SBI, Sample: http://www.icmai.in/
- Request for Qualifications (RFQ) For Empanelment of Chartered Accountant firms for Concurrent Audit for India Post Payments Bank, Sample: http://www.pdicai.org/
- Receivable Audit - Sample: http://www.unitedbankofindia.com/
- Audit of NPS: https://www.pfrda.org.in/

Indian Accounting Standards (Ind AS)

The Indian Accounting Standards (Ind AS), which are substantially based on International Financial Reporting Standards (IFRS) that are required or permitted in over 140 jurisdictions, have unleashed a mega accounting reforms in India.

CAREER OPPORTUNITIES IN INDUSTRY

In view of the availability of suitably skilled human resources, India has been a preferred destination for global processing hubs commonly known as BPOs/KPOs, of multinational giants from different nations across the world. Global Financial Reporting Vertical is substantial part of the activities of these processing centres of excellence and importantly, most of these global giants are from jurisdictions that follow either IFRS Standards or US GAAP. It may be worthwhile to note here that there are many new In ASs which are based on IFRS standards that have been the outcome of IFRS and US GAAP convergence projects. Considering the fact that Ind ASs are substantially converged with IFRS Standards, professionals with Ind AS knowledge will be preferred choice in talent hunt. So, is the case with nation i.e., India with large population of professionals with globally acceptable standards will attract more and more BPO/KPO hubs in the years to come which will have multiplier effect on career opportunities.

GLOBAL OPPORTUNITIES – IND AS WIDENS THE PROFESSIONAL/CAREER CANVAS

One of the key virtues of Ind AS is its substantial convergence with IFRS Standards, a set of high quality global standards required or permitted in over 140 jurisdictions. Accordingly, proficient knowledge of Ind AS will enable a level playing field in accounting profession or career internationally, in order to enable its members to derive this professional advantage.

it may be noted that ICAI conducts IFRS Certification Courses for its members abroad. This can be global passport for worldwide accountancy career. Further, as mentioned earlier there are many critical Ind AS (e.g. Ind AS 103, Ind AS 108, Ind AS 113, Ind AS 115, Ind AS 116) formulated based on IFRS Standards that are outcomes of IFRS – US GAAP Convergence initiatives. Also, there are many areas that have principles similar to US GAAP. Accordingly, Ind AS professionals can also explore opportunities in the US GAAP domain with some extra efforts.

TRAINING AND CONSULTING

As highlighted above, Ind AS or its mentor IFRS Standards have widespread use across many entities and jurisdictions. In India, there are nearly 7,000 listed companies that are required to prepare Ind AS based financial statements. Also, unlisted companies with net worth above ₹ 250 crore are subject to Ind AS roadmap. This large number of domestic potential client bases coupled with many listed entities using IFRS Standards, offers a very attractive profession in training and consulting domain.

ICAI'S SUPPORT

Courses offered

- Certificate Course on Ind AS (Indian Accounting Standards) for proper implementation of IFRS-converged Indian Accounting Standards (Ind AS), for details, visit the link https://www.icai.org/post.html?post_id=3562

Important Links

- Details of Indian Accounting Standards (Ind AS) can be viewed at https://www.icai.org/post.html?post_id=7543
- FAQs issued by the Accounting Standards Board at https://www.icai.org/post.html?post_id=12716
- Ind AS Notifications by Central Government at https://www.icai.org/new_post.html?post_id=12125&c_id=420
- Announcements of the Council Regarding Status of Various Documents Issued by the Institute of Chartered Accountants of India at https://www.icai.org/post.html?post_id=3138
- Ind AS Technical Facilitation Group (ITFG) at https://www.icai.org/post.html?post_id=12745
- Support-desk for implementation of Ind AS at https://docs.google.com/forms/d/1_KTFV6gIAFsBSXpyalyb2P2XkOdvGX4Nhc52z8lWhwg/viewform?edit_requested=true&fbzx=-7030280690851222448

Internal Audit

The Companies Act, 2013, was enacted on August 30, 2013 which provides for a major overhaul in the corporate governance norms for all the companies in the country. Apart from mandatory requirement for internal audit function for certain classes of companies, the Companies Act, 2013, also specifically requires Audit Committee or Board to formulate the scope, functioning, periodicity and methodology for conducting the internal audit.

Companies going in for tapping the international capital market, especially, those seeking listing in US stock exchanges, NASDAQ, NYSE, etc., also need a strong internal audit function to meet the stringent corporate governance and internal control requirements of those stock exchanges. In this context, the US companies, having US public as investor also needs to comply with the requirements of Sections 302 and 404 of the Sarbanes Oxley Act of 2002.

Chartered Accountants conduct the following Internal Audits:

- Financial Audits
- Operational Audits
- Compliance Audits
- Information Systems (IS) Audits
- Investigative Audits
- Management Audit
- Special Reviews

Specific Internal audit activities include

- Internal audit requirements under Companies (Auditor's Report) Order, 2016
- Internal audit of Enterprise Risk Management process
- Internal audit of Corporate Governance
- Internal audit of Transactions of Depository Participants
- Internal audit in Banks
- Internal audit of Treasury Operations
- Internal audit of plastic money operations
- Internal audit of Mutual Funds
- Internal audit of compliance with KYC requirements/ Anti-money Laundering policy
- Internal audit in Infrastructure Enterprises
- Internal audit of a Not-for-Profit Organisation
- Risk based Internal Audit

- Internal Audit of Intellectual property
- Internal audit of Stock and Inventories
- Internal audit of adherence to Competition Law
- Internal Audit - Controls due Diligence Reviews
- Internal Audit of ESOP Transactions
- Internal Audit of NBFCs
- Internal Audit of compliance with FEMA laws
- Internal Audit of compliance with Labour Law
- Internal Audit of Financial Instruments.

ICAI'S SUPPORT

Courses offered

- Certificate/Virtual Course on Concurrent Audit of Banks https://www.icai.org/post.html?post_id=15225
- Certificate Course on Concurrent Audit of Banks at https://www.icai.org/post.html?post_id=9611
- Certificate Course on internal Audit https://www.icai.org/post.html?post_id=7606

Important Links

- Details of various certificate courses offered by ICAI can be viewed at https://www.icai.org/new_post.html?post_id=960&c_id=52
- Standards on Internal Audit Mandatory in Phased Manner can be viewed at https://www.icai.org/new_post.html?post_id=597&c_id=145

Audit Bureau of Circulations (ABC Audit)

Audit Bureau of Circulations is maintaining a panel of auditors for conducting circulation audit. Chartered Accountants who are interested in conducting circulation audit (ABC audit) may contact the Audit Bureau of Circulations.

The ABC founded in 1948 is a not-for-profit, voluntary organisation consisting of Publishers, Advertisers and Advertising Agencies. It has done pioneering work in developing audit procedures to verify the circulation data published by those newspapers and periodicals which have earned the right to display its emblem.

ABC is a founder member of the International Federation of Audit Bureaux of Circulations. The main function of ABC is to evolve, lay down a standard and uniform procedure by which a member publisher shall compute its net paid sales. The circulation figure so arrived at is checked and certified by a firm of Chartered Accountants which are approved by the Bureau. The Bureau issues ABC certificates every six months to those publishers whose circulation figures conform to the rules and regulations as set out by the Bureau.

The panel maintained by the Bureau for Circulation Audits as may be carried out by their member publications is appointed by the Council of Management (Board of Directors) of the Audit Bureau of Circulations (ABC). The Bureau normally follows a procedure of advertising in Institute's Journal as and when it desires to empanel firms of Chartered Accountants across the cities as per requirement. The remuneration/audit fees as may be payable by the Publisher is mutually decided between the auditor and the publisher.

The minimum criteria for selection for empanelment as exercised by the Council in the earlier years was as under:

- Firm should be a Partnership firm with at least two or more Partners one of whom should be a FCA.
- Firm should be in operation for a minimum period of last 5 years.
- Firm should have at least three corporate audits i.e. Statutory/branch audits of public or private sector companies, branch audits of banks etc.
- Firms having experience in ABC audits will have an added advantage.

ICAI'S SUPPORT

Important Links

- Website of Audit Bureau of Circulations (ABC) can be viewed at http://www.auditbureau.org/about-what-is-abc.html
- Empanelled Auditors at Audit Bureau of Circulations can be viewed at http://www.auditbureau.org/empanelled_auditors

Securities and Exchange Board of India (SEBI)

AUDIT OF MUTUAL FUNDS

The auditor of a Mutual Funds, appointed in terms of Regulation 55(1) of SEBI (MFs) Regulations shall be a firm, including a limited liability firm, constituted under the LLP Act, 2008. With respect to appointment of auditors in terms of Regulation 55(1) of SEBI (MFs) Regulation, 1996, it has been decided that:

No MF shall appoint an auditor for more than 2 terms of maximum five consecutive years. Such auditor may be re-appointed after cooling off period of 5 years.

Further, during the cooling-off period of five years, the incoming auditor may not include:

- Any firm that has common partner(s) with the outgoing audit firm
- Any associate/affiliate firm(s) of the outgoing audit firm which are under the same network of audit firms wherein the term "same network" includes the firms operating or functioning, hitherto or in future, under the same brand name, trade name or common control

Existing auditors may be appointed for a maximum of 10 years (including all preceding years for which an auditor has been appointed in terms of Regulation 55(1) of SEBI (Mutual Funds) Regulation, 1996). In this respect, the following may be noted:

- Auditors who have conducted audit of the Mutual Fund for less than 9 years (as on date of issuance of this circular) may continue for the residual period of service.
- Auditors who have conducted audit of the Mutual Fund for 9 years or more (as on date of issuance of this circular) may continue for a maximum of 1 year from date of issuance of this circular.
- Such auditors shall subsequently be eligible for re-appointment after a cooling-off period of 5 years, in terms of Para B(2)(i) and Para B(2)(ii) above.

This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

LIMITED REVIEW UNDER CLAUSE 41 OF THE LISTING AGREEMENT OF SECURITIES AND EXCHANGE BOARD OF INDIA

The Securities and Exchange Board of India earlier required for a half-yearly review of accounts for listed companies to ensure better compliance and transparency. Effective from the quarter ending on June 30, 2003, SEBI has made an amendment to Clause 41 of the Listing Agreement, and made it mandatory for all listed companies (including commercial banks) to get their quarterly results subjected to “limited review” by the auditors of the company (or by a Chartered Accountant in the case of public sector undertakings) and a copy of Review Report is required to be submitted to the Stock Exchange within two months after the close of the quarter.

FINANCIAL AND CAPITAL MARKETS

Financial Services is concerned with design and delivery of advice and financial products to individuals and businesses. Economy has largely moved from capital intensive to knowledge driven spectrum. In a typical capital market scenario of the financial services sector, Intermediaries, Investors, Issuers, Corporate and Regulatory Authority rely largely on skills of the Chartered Accountants in discharging their respective obligations to the investors. The entire field of Financial Services has opened up new avenues for the Chartered Accountants to excel in. Financial analyst, media expert covering the capital markets, financial advertisement, investment advisor, financial services marketing are some of the emerging avenues for the Chartered Accountants to deploy their skills effectively.

CAPITAL MARKET

Keeping in view the complications and stiff pulls and pressures of burgeoning capital markets in India, the skills and expertise of trained Chartered Accountants are highly relied upon by the financial services sector, intermediaries, investors, issuers, corporates and even the Regulatory Authority concerned. And now more opportunities await the professionals in the area. Chartered Accountants play the following roles in the Capital Market:

Advisory role: The advisory role has evolved from being an advisor on tax and related matters to positioning the company amongst the knowledgeable investors, advising the company on the value chain which they need to pursue etc, and continued feedback on the key acts which the Company must do to sustain its valuation, attract quality investors interest etc.

Audit role: Increasing number of instances of fraud and corrupt practices in public companies, has resulted not only in depletion of investor’s wealth, but also resulted in loss of investor’s confidence. As a regulator of public investments and finance, SEBI is entrusted with the responsibility to ensure that the public companies do not defraud and abscond investor’s wealth. By means of limited reviews, disclosures requirements and audits, the regulators of companies ensure safety of investor’s wealth. With the World Company, Dabhol, vanishing companies background, the audit role has become increasingly more demanding. Independent Directors on the Board of the Company demands a whole lot of quality inputs to discharge their responsibilities effectively. This has tremendously increased the focus on the quality of the audit, approach etc.

Entrepreneurial Role: Chartered Accountant from the traditional practice have moved into being intermediaries in the capital market themselves. New Investment banking firms, broking entities and the Regulatory environment has encouraged professionals to be an entrepreneur by themselves. With the better understanding of the financial products, Chartered Accountants have become effective entrepreneurs in wealth distribution, wealth management etc.

Supporting services: More and more service providers like investment bankers and insurance agencies rely on the reporting and certifications from the Chartered Accountant in discharging their obligations.

Emerging employment role: Equity sales, research, portfolio management, media tracker, career in financial advertising and televisions, global outsourcing partners are the emerging employment opportunities for a young chartered accountant along with their interest in taxation, audit and controls.

Emerging practice role: The whole approach towards risk managements, controls changed with the opening up of the economy. Managements are increasingly providing a better budget for risk management and Chartered Accountant plays an important role as Chief Risk Officer, or Chief Internal Control. Knowledge of accounts, accounting finance and financial analysis and law pertaining to issue of securities with regard to provisions of the Companies Act, Securities Contracts Act, SEBI and RBI also help in achieving excellence in execution. In addition, knowledge of the client or the Issuers business helps in profiling and positioning of the business to the outside world at large. This is the key ingredient to any fund raising plan. As an Advisor and Investment Banker, a Chartered Accountant also helps in formulating financial strategy to successfully tap the capital markets and ensure success for the fund raising plan. Putting together an efficient capital structure, creating financial model, profiling business promoters and management and advising on valuation are the other key ingredients for successful entry into capital market.

Chartered Accountants can certainly help in all the above operations and can act as sounding boards to accomplish this. Chartered Accountants can work as a regulator either for Stock Exchange or SEBI. As a regulator, chartered accountants can be skillfully employed in policymaking, monitoring review, surveillance and investigation.

Role in the IPO Process: To comply with the public issue disclosure norms, SEBI specifies with the issuer company, states and restates financial statements for the last five years of the company going public and Chartered Accountant must certify all figures and give a comfort letter to the Lead Manager.

Undertaking Due Diligence: Initial public offerings (IPO) are often considered to be the ultimate goal for any entrepreneurial venture. An IPO is offering stock to the public on an open market for the first time. Once a company decides to go public, it needs to pick its IPO team, consisting of the lead investment bank, an accountant and a law firm. The IPO process officially begins with what is typically called a “kick-off” meeting. All the members of the IPO team plan a time table for going public and assign certain duties to each member. The independent accountant’s role in the IPO process includes auditing the financial statements, restating them in compliance of SEBI requirements, resolving accounting issues. Increasing emphasis is being placed on the scope of “comfort letters” which a company’s auditor provides to the underwriters and the company’s board as part of their due diligence.

Commentary on accounting policies and problems, improper revenue recognition, changes merely for the purpose of inflating profits are a few of the areas where the accountant’s insight is sought. In many instances, the financial statements must also be prepared in accordance with U.S. GAAP or a reconciliation between the Indian GAAP and U.S GAAP is required. In many cases, auditors are required to review and offer comments on consolidated accounts. Accountants can also leverage their experience during the planning phase to help ensure that the company’s house is in order before the IPO process. Accountants play a key role in advising on/ certifying the following:

Compliance with the corporate governance. Promoter’s contribution in a project.

Amount deployed/spent on project.

Consultancy on Investor’s Protection: Chartered Accountants can provide the following services:

Corporate Investors – Due Diligence of Investee Companies Individual Investors – Advise Investment options

Advising on selection of broker/sub-broker

Consultancy on Investment in Primary Market – especially Issue Price/price band in IPOs, quality of financial statements.

Consultancy on Investment in Secondary markets, various financial instruments namely derivatives

Risk factors in investment options

Legal rights and obligations as investors towards regulators and brokers Redressal of Grievances

Resolution in case of disputes as Arbitrator

PRIVATE EQUITY FUNDING

Today, the Indian venture capital/private equity industry has developed even further. From funding small start-up ventures with emphasis only on new age companies, the industry has now matured to cover the entire spectrum of private equity products – seed funding, expansion capital, buy-out financing, financing restructuring of companies and providing mezzanine capital across a variety of sectors. Deal sizes have also reached new heights, from sub USD5mn in the early days to USD50mn and more. A Chartered Accountant may assist in private equity funding in a number of ways including:

- Undertaking an Initial appraisal of Management’s financing proposition
- Preparation and advising on Business Plan
- Business Valuation
- Preparing financial model
- Planning the capital/ funding structure
- Review and appraisal of the terms of deal
- Negotiation on terms of deal
- Project management of transaction
- Advising on the future plans/ exit route etc.

PROJECT FINANCING

A large number of Chartered Accountants in practice are involved in project financing consultancy to their clients and liasioning with different financial institutions. Chartered Accountants are playing a leading role in the society and are considered as finance advisors, who assist their clients in every field relating to finance, tax, accounts and banking. Chartered Accountants, who desire to deal in such line of activity, should know all the financial institutions, which provide finances.

LOAN SYNDICATION

Corporates require professional competency for performing quick and hassle free loan syndication services. Finance champions like Chartered Accountants who have a better grip on preparation, understanding, and interpreting financial projections for estimating capital requirements. For this purpose the Chartered Accountants are required to perform loan syndication related activities. This involves not just acting as an intermediary between a company and a bank, but an even broader role of financial statement preparation, review and certification provider if required.

AUDIT OF MEMBER OF STOCK EXCHANGE

As per the SEBI Circular No. SMD/SED/0072/92 dated December 31, 1992 members of stock exchanges are required to get their annual accounts audited by Chartered Accountants within 6 months from the closing of books of account and submit a copy of the same to stock exchanges within 30 days of the receipt of the audit report. This requirement of conduct of annual audit of stock brokers emanates from GOI directive No. F.1/5/SE/83 dated May 31, 1984 which enjoins stock brokers to get their books of account audited by qualified

Chartered Accountants. It is expected that compulsory audit of accounts of members of stock exchange would inculcate a sense of financial discipline in the members of stock exchanges would also lend creditability to their financial statements and would also result in expansion of professional opportunities in this area.

As per the SEBI Circular No. MRD/DMS/Cir-29/2008 dated October 21, 2008, it has been decided that stock brokers/ trading members/clearing members shall carry out complete internal audit on a half yearly basis by chartered accountants, company secretaries or cost and management accountants who are in practice and who do not have any conflict of interest.

ICAI'S SUPPORT

Courses Offered

- Committee on Capital Market and Investors Protection of ICAI is offering a Certificate Course on Forex and Treasury Management, for details, please visit https://www.icai.org/new_post.html?post_id=14516&c_id=445

Important Links

- ICAI has issued Several Publications in the above mentioned areas, for details, please visit https://www.icai.org/post.html?post_id=6651
- Details of various Courses Offered can be viewed at https://financialmarket.icai.org/?page_id=1152
- To view the details for empanelment as Financial Education Resource Persons, please visit, https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=22

World Bank and Royal Audit of Bhutan

OPPORTUNITIES IN THE WORLD BANK AND ITS PROJECTS

There are ample opportunities for Chartered Accountants in the World Bank as Internal Auditors, consultants and as auditors in World Bank Funded Projects.

The broad eligibility criteria includes firms should have a standing of at least 10 years and must have at least 4 partners of which all partners should be Fellow Members of the Institute of Chartered Accountants of India. The Firm should be empaneled with the Comptroller and Auditor General of India and registered with ICAI. Firm should have average annual turnover of at least INR 50 Lakhs during last three financial years.

Interested consultants are required to provide information demonstrating that* they have the required qualifications and relevant experience to perform the Services.

Expression of Interest (EOI) includes:

- Introductory letter on letterhead (with complete contact details – name of the contact person, address, telephone, fax, email, etc.) with a note on how the Firm is best to deliver the task.
- Organisation profile
- Number of States in the country in which the Firm has branches/offices giving the full address of the branches/ offices.
- Number of qualified staff and their qualifications.
- Details of Internal Audit assignments undertaken during the last 5 years.
- Details of relevant Audit assignments undertaken for Public Sector and Government organisations.
- Details of experience in conducting audit of External funded projects e.g., World Bank, ADB, etc.

Short note on similar projects implemented by the firm pertaining to the shortlisting criteria along with the contact details of the past clients. The EOI should contain sufficient supporting document to substantiate the claim of the consultant towards their qualification as per the shortlisting criteria.

Further, a MoU has been entered with the World Bank by the Committee for Capacity Building of Members in Practice of ICAI for the arrangement of Knowledge enhancement of the Members of ICAI in Procurement Audit & thereof. This aforesaid arrangement with the World Bank offer procurement training with the Joint Certification basis to the participants of the training programme. These trainings are meant to enhance the capacity of ICAI members to participate in procurement opportunities in Bank funded Projects for various assignments including external/ internal audits; procurement audits/post reviews, and other consultancy assignments for firms and individual members of ICAI.

ROYAL AUDIT OF BHUTAN

Audit Empanelment With Royal Audit Authority

Member of ICAI can solicit professional work from Bhutan Government. He has to empanel with Royal Audit Authority of Bhutan. The empanelment procedure takes place once in four years.

ICAI'S SUPPORT

Important Links

For the professional work available for Chartered Accountants, please visit:

- http://projects.worldbank.org/
- https://wbgeconsult2.worldbank.org/wbgec/index.html
- http://www.bhutanaudit.gov.bt/
- http://www.bhutanaudit.gov.bt/audit-cnt/raa-files/others/Empanelment_firms_Local_India_Sri_Lanka_2018.pdf

An evolution of BPO (Business Process Outsourcing), Knowledge Process Outsourcing (KPO) involves offshoring of knowledge intensive business processes that require specialised domain expertise, thus delivering high value to organisations by providing business expertise rather than just process expertise. These processes demand advanced analytical and specialized skill of knowledge workers that have domain experience to their credit. The opportunities for professionals are available both as a KPO service provider as well as services to KPOs.

The requirements for rendering such services would be maintaining higher quality standards, investment in KPO infrastructure, lack of talent pool, requirement of higher level of control, confidentiality and enhanced risk management. Also it has reduced costs while maintaining the same level of quality or service. The nature of work requires advanced analytical and specialized skills.

There are no limitations on location when it comes to outsourcing, and it can be done in various countries around the world. When the practice of outsourcing is conducted between countries, this is referred to as being offshore outsourcing.

While outsourcing has traditionally been connected to countries such as the United States and the United Kingdom, it is very likely that companies based in China and the European Union will begin outsourcing as well. It is very likely that these companies will begin placing tremendous demands on their governments to avoid any military conflicts that may weaken their ability to earn profits.

Given the large talent pool, friendly government policies, quality IT training and low labour costs, Indian professionals have an added advantage to form KPOs over the professionals in other countries. While KPO offers a number of powerful advantages that professionals will want to take advantage of, it is not without challenges.

Those who wish to invest in KPO will need to spend more money on building up the necessary infrastructure. In addition to this, they will need to deal with finding the right workers, and confidentiality is an issue that must be taken seriously as well. The implementation of KPO can be difficult, and it must be implemented in a professional services environment.

Any operation that is carried out for KPO must be high in quality, because the clients can afford to have less than the very best. Performance issues must be taken into consideration as well. Even if all these things have been accomplished successfully, continuous monitoring and feedback will be needed. Attrition is another important issue.

Knowledge Processing Outsourcing Centers (KPOs)

It is critical for companies to be able to retain the employees they hire.

As the BPO and KPO industry has to deal on an international level, it is exposed to international laws and regulations characterised by intense litigation.

Skills required for Indian chartered accountants:

- Knowledge of accounting procedures followed by companies in other countries.
- Knowledge of accounting related software like, Quick Books, MYOB, SAGE and other accounting solutions. These are some software used as per international standards.
- Skills in using tax return software i.e. Ultra Tax or Irish used in preparing Tax Returns and annual accounts for individuals, corporations or private organizations.
- Computer skills
- High level of conceptualization
- Research skills
- Comfortable with databases and mathematical orient action
- Able to adapt to the latest technology and use of tools and software

As a KPO, professionals can render services in the following ways:

Finance and accounts – services can be rendered in areas similar to the following:

- Accounting and data preparation
- Maintenance of books and records
- Accounts receivables
- Debtors management
- Accounts payables
- Fixed assets accounting
- Asset accounting management
- Reconciliations
- Expense analysis
- General Ledger maintenance
- Payroll management
- Cash management
- Internal Financial Reporting
- Different types of reports on daily basis

Research & Development – Research could be through web-based market research solutions, secondary research methods, Government Publications, General Press, Industry Journals, Trade Associations, Public Company Filings, Investment Brokerages and Information Services, Newsgroups and UseNet. Other related services could be:

- Data search and collection
- Managing data
- Business Analysis
- Data Analysis
- Network Management
- Business & Market Research
- Equity research
- Research on fixed income markets
- Intellectual Property (IP) Research
- Legal research
- Market Analysis

Financial Analysis

- Forecasting, Budgetary and decision support
- Consolidation and analysis
- MIS reporting
- Financial planning and analysis
- Credit rating analysis
- Examination and interpretation of financial statements
- Event analysis
- Risk management
- Treasury and investment management
- Financial research and investigations
- Investment analysis

Consulting services

- Financial modelling
- Deal profiles
- Verification
- Assistance and guidance in transfer of operations
- Contribution towards continuous improvement of processes

Services pertaining to legal matters

- Advice on the formation of e-Contracts
- Legal research
- Documentation, reviewing documents and agreements, litigation matters, reporting requirements (drafting and reviewing reports required under various laws)
- Advice on existing and developing legal and regulatory requirements-domestic and international
- Domain name registration
- Advice on the risks and liabilities involved in electronic linkage to third party sites and the formation of third party alliances
- Regulatory review of Website content
- Agreements for the licensing of software and the provision of support services to a licensee in connection with software licensing

Education and related services – knowledge is power and is the only thing that increases with giving. Some of related services that professionals can contribute in are:

- Education
- Training & Consultancy

Other services

- Valuation of companies
- Evaluation of potential Mergers and acquisitions
- Preparation of company profiles/reports
- Transitioning financial information between accounting standards
- Tracking of stock prices
- Internal audit
- Supporting internal activities
- Transfer pricing

ICAI'S SUPPORT

Important Links

- National Association of Software and Service Companies https://www.nasscom.in/
- Department of Information Technology, Ministry of Communications and Information Technology https://meity.gov.in/

Small and Medium Enterprises (SME) Sector

Worldwide, the micro and small enterprises (MSEs) have been accepted as the engine of economic growth and for promoting equitable development. The MSEs are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. In India, the MSMEs play a pivotal role in the overall industrial economy of the country.

In recent years, the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. The major advantage of the sector is its employment potential at low capital cost. The MSME sector falls under the jurisdiction of the Ministry of Micro, Small and Medium Enterprises (*Sukshma Laghu Aur Madhyam Udyam Mantralaya*), of the Government of India.

The Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) came into force from 2nd October, 2006. The MSMED Act, 2006 provides for facilitating the promotion and development and enhancing the competitiveness of Micro, Small and Medium Enterprises and for matters connected therewith. The Micro, Small and Medium Enterprises have been classified broadly into two categories:

- Manufacturing; and
- Those engaged in providing/rendering of services.

Both categories of enterprises have been further classified into micro, small and medium enterprises based on their investment in plant and machinery (for manufacturing enterprises) or on equipments (in case of enterprises providing or rendering services).

Professional opportunities under the Micro, Small and Medium Enterprises sector:

- Help large scale enterprises form systems to ensure that they comply with the deadlines for payment of any goods or services supplied by MSMEs.
- Counselling of MSMEs for the rights and benefits available to them.
- Advisory role in formation, Registration, taxation and foreign direct Investment.
- Assistance in compliance with the technicalities laid down by the MSMED Act 2006 itself like:
  a. Classification of industries
  b. Registration under the Act
  c. Procedure of Filing of Entrepreneurs Memorandum
  d. Disclosure Requirement

- MSMEs even though small in size, are an enterprise, and a huge list of laws of the country become applicable to them. The entrepreneurs may not necessarily have such technical knowledge and expertise to comply with the innumerable requirements expected of the MSMEs. The Chartered Accountants being aptly equipped with their varied knowledge are the ideal person to assist the MSMEs in this respect.
- Assistance in obtaining several clearances or permissions depending upon the nature of unit and products manufactured.

ICAI'S SUPPORT

Important Links

- Website related to Micro, Small and Medium Enterprises (MSME) of India at https://msme.gov.in/
- Details of SME Networks can be viewed at http://www.smenetworks.net/
- Website of Federation of Indian Micro & Small and Medium Enterprises (FISME) can be viewed at http://www.fisme.org.in/; http://laghu-udyog.gov.in/
- Website of Development Commissioner, MSME and Ministry of MSME can be viewed at http://laghu-udyog.gov.in/
- Website of SME Rating Agency can be viewed at https://www.smeraonline.com/

State Co-operatives (Including Co-operative Banks)

ENACTMENT OF MULTI STATE CO-OPERATIVE SOCIETIES ACT, 2002

Co-operatives is a state subject and all states have accordingly enacted their own Cooperative Societies Acts for incorporation, regulation and winding up of co-operative societies within their territorial jurisdiction. For co-operative societies working in more than one state, the Multi State Co-operative Societies Act, 2002 came into force which contains detailed provisions regarding registration, membership and management of such societies. As per the provisions of Section-72 of Multi Co-operative Societies Act, 2002, "A person shall not be qualified for appointment as an auditor of a multi-State cooperative society unless he is a Chartered Accountant within the meaning of the Chartered Accountants Act, 1949 (38 of 1949)".

Constitution (Ninety Seventh Amendment) Act 2011: Considering the need for uniformity in co-operative legislation, the Government of India brought out the Constitution (Ninety Seventh Amendment) Act 2011 which provides that the Legislature of a State may, by law, make provisions with respect to the maintenance of accounts by the co-operative societies and the auditing of such accounts at least once in each financial year. Also it provides that the minimum qualifications and experience of auditors and auditing firms that shall be eligible for auditing accounts of co-operative societies has to be laid down by the Legislature of a State. Due to this, various States have amended their respective Cooperative Societies Act, to include the provisions as per the Constitutional Amendment Act.

It is competent for the Co-operative Movement in India to have professional management, professional Audits and an independent professional approach with integrity, impartiality and objectivity in the Co-operative Societies for its stability and growth. At present, most of the State Co-operative Societies Acts contain provisions for getting the accounts of co-operative societies audited by Chartered Accountants.

With the growth of co-operative sector, the areas of professional work in the multi-state co-operative societies and state co-operative societies are expected to increase. While the central registrar appoints auditors for the national level societies, provisions relating to the appointment of auditors of state co-operative societies differ from state to state.

Chartered Accountants can render services in the following areas also: —

- Social audit of specified large co-operatives
- Management/Internal audits
- Determination of Non-Performing Assets (NPAs) [for co-operative banks]

- Recovery of NPAs
- Reconciliation of control and subsidiary accounts
- Appraisal of lending (for financing co-operatives/ co-operative banks)
- End-use monitoring (for financing co-operatives/ co-operative banks)
- Adequacy of documentation (for financing co-operative/ co-operative banks)
- Manual preparation (accounts/documentation/materials management)
- Revenue/Inspection audits (of co-operative banks).

Important Links

- Committee for Co-operatives and NPO Sectors of ICAI is offering a Certificate Course on Cooperatives, for details, please visit https://www.icai.org/new_post.html?post_id=3581&c_id=81

Other Laws

1. FOREIGN EXCHANGE MANAGEMENT ACT, 1999

The Foreign Exchange Management Act, 1999 extends to the whole of India. The Act also applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. With the advent of FEMA, the entire focus of the government of India and the Reserve Bank of India shifted to control and management of foreign investments and flow of funds to suit the best interests of the country. Though there is almost complete convertibility on Current Account Transactions except few prohibited/restricted items under the Current Account Regulations, the Reserve Bank of India has been consciously regulating the flow of Capital Account Transactions (both inbound as well as outbound) on real time basis to meet the goals of canalizing investment towards desired sectors of the economy and simultaneously addressing issue of the national security.

Professional opportunities in this area include:

Consultancy on compliances under FEMA rules and regulations

Representation before Authorities under the provisions of section 32 of FEMA a person preferring an appeal to the Appellate Tribunal may take the assistance of a legal practitioner or a Chartered Accountant of his choice to present his case before the Appellate Tribunal or the Special Director (Appeals), as the case may be. Further the Central Government may authorize one or more legal practitioners or a Chartered Accountants or any of its officers to act as presenting officers and every person so authorized may present the case with respect to any appeal before the Appellate Tribunal or the Special Director (Appeals), as may be.

Forms & Certification under FEMA include:

- Notification No. FEMA 20(R)/2017-RB dated November 07, 2017.
- Notification No. FEMA 120/RB-2004 dated July 7, 2004
- Notification No. FEMA 10 (R)/2015-RB dated January 21, 2016.
- Notification No. FEMA 13 (R)/2016-RB dated April 01, 2016.
- Notification No. FEMA 22(R)/RB-2016 dated March 31, 2016.
- Notification No. FEMA 19/RB -2000 dated 3rd May 2000.
- Notification No. FEMA 20/2000-RB dated May 3, 2000.
- Return to be filed by Issuer/Transferor who has arranged issue/transfer of Depository Receipts (Form DRR).

- Liaison Offices and Branch offices should submit Annual Activity Certificates from Chartered Accountants.
- ECB 2-Reporting of actual transactions of External Commercial Borrowings (ECB) under Foreign Exchange Management Act, 1999 (for all categories and any amount of loan).
- Form 83–Reporting of loan agreement details under Foreign Exchange Management Act, 1999.
- Certificate to be submitted along with Form FC-TRS Declaration regarding transfer of shares/compulsorily and mandatorily convertible preference shares (CMCPS)/ debentures/others by way of sale from resident to non resident/non-resident to resident.
- Certificate from Chartered Accountant certifying the net owned funds as on the date of application and calculation thereof to be enclosed along with application form for FFMC license under section 10(1) of FEMA, 1999.
- A certificate from a Chartered Accountant showing how the remittable amount has been arrived at and that all liabilities of the estate in India have been met or adequately provided for, is to be submitted along with application for remittance of legacies, bequests or inheritances to beneficiaries resident outside India.
- Return to be filed by an Indian company who has arranged issue of GDR/ADR is required to be certified by a Chartered Accountant.
- Repatriation of current income like rent, dividend, pension, interest, etc. of Non-Resident Indians who do not maintain an NRO account in India will be allowed based on certification by a Chartered Accountant, certifying that the amount proposed to be remitted is eligible for remittance and that applicable taxes have been paid or provided for. (Master Circular No. 04/2009-10 dated July 1, 2009 on Remittance Facilities for Non-Resident Indians/Persons of Indian Origin/Foreign Nationals).

Consultancy with regard to realization and repatriation of foreign exchange.

Taxation aspects.

Applications to RBI.

Foreign exchange derivative contracts.

Obtaining Government Approval wherever required.

Adherence to compliances in matters of borrowing and lending in foreign exchange, if permitted by RBI.

Consultancy on Issue of Foreign Currency Convertible Bonds (FCCBs), American Depository Receipt (ADRs), Global Depository Receipt (GDRs) etc.

Valuation of shares in certain cases.

Assistance to Non Resident Indians who have or intend to have investments in India

Assistance to Non-residents who intend to set up business in India

Assistance to Non Residents returning back to India

Assistance to Emigrating Indian or new NRI

2. FOREIGN CONTRIBUTION (REGULATION) ACT, 2010

Foreign Contribution (Regulation) Act, 2010 (FCRA, 2010) is a consolidated legislation; to regulate the acceptance and utilisation of foreign contribution or foreign hospitality by certain individuals or associations or companies and to prohibit acceptance and utilisation of foreign contribution or foreign hospitality for any activities detrimental to the national interest and for matters connected therewith or incidental thereto. The Act provides to correct the shortfalls in the predecessor act of 1976. The flow of foreign contribution to India is henceforth regulated under this Act, Rules and other notification/orders etc., issued there under, as available at the website "fcra.online.nic.in". The individuals or HUFs or associations or companies receiving foreign contribution are required to exercise extreme care and caution while dealing with foreign contribution from the time of its receipt to its final utilization.

An association permitted to accept foreign contribution is required under law to maintain separate set of accounts and records exclusively for the foreign contribution received and submit an annual return, duly certified by a Chartered Accountant, giving details of the receipt and purpose-wise utilization of the foreign contribution duly accompanied with scanned copies of income and expenditure statement, balance sheet and statement of receipt and payment, which is certified by a Chartered Accountant. Submission of a 'NIL' return, even if there is no receipt/utilization of foreign contribution during the year, is mandatory. However, in such case, certificate from Chartered Accountant, audited statement of accounts is not required to be uploaded.

As Chartered Accountants audit the accounts of the associations and certify the accounts before submission to the Government, they are required to provide proper guidance to the associations who are either applying for grant of prior permission/registration or who have been granted prior permission/registration under FCRA, 2010.

Chartered Accountants may provide assistance to the associations in the following areas:

- Verify, whether the associations are eligible to receive foreign contribution.
- Guide the applicant organization in submission of application for registration/prior permission.

- Ensure that the association receives and utilizes the foreign contributions through its bank account exclusively opened for the purpose in accordance with the provisions of FCRA, 2010 and FCRR, 2011 and that foreign contribution is not deposited or utilised from the bank account being used for domestic funds.
- Assist in the proper maintenance of prescribed books of accounts in accordance with the provisions of FCRA, 2010 and FCRR, 2011.
- Ensure that the annual returns of an association have been prepared in accordance with the provisions of FCRA, 2010 and FCRR, 2011.

Export Import Trade/Customs Valuation

Opportunities for professionals occur in the area of business advisory to their existing clients and new clients who are looking for international opportunities to effect the transition from domestic trade to foreign trade.

Some of the services have been enumerated as under:

- Advisory on Foreign Trade Policy and Procedures
- Compliance with Foreign Trade Procedures
- Setting up 100% EOU/STP/EHTP/BTP/SEZ units
- Assistance in fulfilling the regulatory and licensing requirements
- Obtaining government clearances
- Liasioning across related government agencies
- Documentation
- Risk assessment
- Ensuring compliance of various national rules and regulations
- Judicious management of finance, credit and security
- Analysis of business operations and facilitation services
- Formation of a company/subsidiary of a foreign company
- Development of strategies and implementation plans according to the specific needs of the clients
- Consulting, documentation and facilitation for
  - Taxation
  - Accounting and auditing services
  - Exports and imports for Export-Import Policy
  - Licences
  - Incentives
- Logistics
- Export-Import Finance and benefits from Government Schemes and Programmes
- Export-Import legal matters
- Getting Foreign Investment and related matters like Setting up of Business Operations in India including Liaison Office, Branch Office, Subsidiary Company, Joint Ventures,
- Approval of Investments from RBI/FIPB/Ministries,
- Quality certification for Foreign Companies exporting to India (as required under BIS regulations),
- Domestic operations & Incorporations like formation of companies in India & related issues with RoC, RBI
- Other Government departments, Registrations with DGFT(IEC), EPC(RCMC), Industry Ministry (IEM), Income tax (PAN), Sales tax, Excise, Representation of Cases Before Central Excise Appellate Authorities, Customs Authorities, Fixation of/Brand Rates for Drawback, Rebate/Refund of Central Excise Duties, Customs Duties etc.
- Application and Issuance of DEPB, DFRC, Advance Licence, EPCG Licence, Duty Drawback, Deemed Export Benefits
- Representation and Liaison
  - With DGFT, RBI and Ministries for import-export licenses & other matters,
  - For Foreign companies/NRIs/OCBs in India, Indian Investments Abroad, OCBs etc.
- Technical Advisory to Government bodies and Policy makers on Policy Formulation
- Planning, strategising and implementation for clearances of Project Imports, Plant Relocations, Restricted Items Imports

Agreements On Customs Valuation

- Representing the corporate and non-corporate clients before customs and subsequent statutory authorities.
- Helping the Customs Department in correct assessment of valuation aspect of Imported goods

3. COMPETITION ACT, 2002

Services that may be rendered by the professionals in the field of Competition law are categorized into those arising under Section 35 & 53S of Indian Competition Act, 2002 and those arising in the industry to ensure adherence to competition law/ policy.

Appearance Before Commission

In terms of the provision of Section 35, a complainant or defendant or the Director General may either appear in person or authorise one or more Chartered Accountants or company secretaries or cost accountants or legal practitioners or any of his or its officers to present his or its case before the Commission

Appearance Before Appellate Tribunal

In terms of the provisions of Section 53S, a person preferring an appeal to the Appellate Tribunal may either appear in person or authorize one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to present his or its case before the Appellate Tribunal

The Central Government or a State Government or a local authority or any enterprise preferring an appeal to the Appellate Tribunal may authorize one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to act as presenting officers and every person so authorized may present the case with respect to any appeal before the Appellate Tribunal.

The Commission may authorize one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to act as presenting officers and every person so authorized may present the case with respect to any appeal before the Appellate Tribunal.

Opportunities Arising In Industry To Ensure Adherence To Competition Law/Policy

Chartered Accountants may:

- Provide advisory and consultancy Services to the enterprises
- Draft anti-competitive agreements
- Compliance of competition law audit
- Work as Expert for Commission under Section 17

4. CONSUMER PROTECTION ACT, 1986

The Consumer Protection Act, 1986, was enacted to provide for better protection of the interests of consumers and for that purpose to make provision for the establishment of consumer councils and other authorities for the settlement of consum¬ers' disputes and for matters connected therewith.

The Act applies to all goods and services, excluding goods for resale or for commercial purpose and services rendered free of charge and under a contract for personal service. The provisions of the Act are compensatory in nature.

It covers public, private, joint and cooperative sectors. The Act enshrines the rights of the consumer such as right to safety, right to be informed, right to be heard, and right to choose, right to seek redressal and right to consumer education.

Professional Opportunities Under The Consumer Protection Laws

- Advice on whether complaint can be filed under The Consumer Protection Act, 1986.
- Assistance in drafting a complaint under the Consumer Protection Act, 1986 along with documents in support of the allegations.
- Assistance in technicalities with respect to complaint – for e.g. Amount of fees, time limit etc.
- Ascertaining the pecuniary and territorial jurisdiction of the Consumer Courts.

Trade Remedy Measures (Anti-Dumping, Anti-Subsidy And Safeguard Duties)

Application and imposition of these measures has a huge impact on the traders, exporters and importers operating in International market. The practice areas in this field are mainly related to advisory, consultancy, preparation and representation for and on behalf of individuals and bodies involved in International Trade.

Professional Opportunities

A. Anti-Dumping Duties

- Preparation and execution of a well-organized business plan
- Strategic planning, market research for domestic and international markets to avoid anti-dumping problems
- Analysis of substantive injury to the industry
- Analysis of various indices affecting the industry
- Assistance in Dumping calculations, injury studies, verification, expert evidence at hearings etc.
- Preparing Price and Adjustment Data
- Analyzing Cost of Production
- Assisting at Verification and Public Hearings
- Assessing the Strategic and Commercial Implication of Trade Actions
- Providing detailed reviews of dumping calculation or injury analysis disclosures
- Assistance in preparing defence strategies in anti-dumping investigation
- Negotiations for price undertakings, cost records and financial implications etc. in the matter of initiation of the case or in the defence of a case initiated and on participating in the proceedings and minimizing the liabilities, both prior to and after the initiation of the formal proceedings.

- International pricing analysis
- Detailed cost accounting analysis
- Large-scale database analysis
- Price monitoring analysis
- Competitive industry analysis
- Statistical analysis
- Expert financial analysis and testimony before the Department of Commerce

B. Anti-Subsidy Duties

- Analyzing the counter availability of a foreign Government's subsidising exports
- Examining the legal and economic aspects of various subsidy programmes which are actionable under the W.T.O agreements on subsidies.
- Preparing comprehensive financial and substantive representations for the defence and/or initiation of a case

C. Safeguard Duties

- Safeguard duties are temporary measures in defence of the domestic industry which is injured or has potential threat of injury due to sudden surge in imports.
- To formulate a complete strategy, carry out market research and prepare a comprehensive report for initiation and/or defence of a Safeguard Duty case.

5. DISPUTE SETTLEMENT PROCEEDINGS

- Assessing WTO consistency of trade barriers
- Preparation of arguments and evidence for WTO dispute settlement proceedings
- Advice and strategies for multilateral and bilateral trade negotiations
- Providing expert analysis and opinions
- Providing realistic assessments on whether measures can be challenged in the WTO.
- Preparing and presenting evidence before anti-dumping administrations or in WTO disputes.

6. RIGHT TO INFORMATION ACT 2005

The Right to information Act to provide for setting out the practical regime of right to information for citizens to secure access to information under the control of public authorities, in order to promote transparency and accountability in the working of every public authority, the constitution of a Central Information Commission and State Information Commissions and for matters connected therewith or incidental thereto. The RTI Act came into force on the 12th October, 2005. The Act gives right to access information held by "public authorities". It covers all the constitutional authorities, including executive, legislature and judiciary; any institution or body established or constituted by an act of Parliament or a state legislature. It is also defined in the Act that bodies or authorities established or constituted by order or notification of appropriate government including bodies "owned, controlled or substantially financed" by government, or non-Government organizations "substantially financed, directly or indirectly by funds".

Professional opportunities for Chartered Accountants in this area include:

- Maintenance of records (Section 4(1)(a))
- Preparation of details of publication (Section 4(1)(b))
- Audit on compliance of legal issues
- Establishing internal controls
- Monitoring and sending progress reports at regular intervals
- Assistance in filing Application and Appeals.

7. RECOVERY OF DEBTS DUE TO BANKS AND FINANCIAL INSTITUTIONS ACT, 1993

Banks and financial institutions have been experiencing considerable difficulties in recovering loans and enforcement of securities charged with them. The procedure for recovery of debts due to the banks and financial institutions, which is being followed, has resulted in a significant portion of the funds being blocked. The Committee on the Financial System has considered the setting up of the Special Tribunals with special powers for adjudication of such matters and speedy recovery which is critical to the successful implementation of the financial sector reforms.

An urgent need was, therefore, felt to work out a suitable mechanism through which the dues to the banks and financial institutions could be realised. In 1981 a committee had examined the legal and other difficulties faced by banks and financial institutions and suggested remedial measures including changes in law. This committee also suggested setting up of Special Tribunals for recovery of dues of the banks and financial institutions by following a summary procedure.

Keeping in view the recommendations of the above Committees, the Recovery of Debts due to Bank and Financial Institutions Bill, 1993 was introduced in the Parliament.

8. LABOUR LAWS

At present, there are 44 labour related statutes enacted by the Central Government dealing with minimum wages, accidental and social security benefits, occupational safety and health, conditions of employment, disciplinary action, formation of trade unions, industrial relations, etc.

The list of Central Acts is given below. The State Governments are also empowered to enact legislations, as labour is a subject in the concurrent list under the Constitution of India.

LIST OF CENTRAL ACTS

(https://labour.gov.in/list-enactments-ministry)

- The Employees State Insurance Act, 1948
- The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- The Dock Workers (Safety, Health and Welfare) Act, 1986
- The Mines Act, 1952
- The Iron Ore Mines, Manganese are Mines and Chrome are Mines Labour Welfare (Cess) Act, 1976
- The Iron Ore Mines, Manganese are Mines and Chrome are Mines Labour Welfare Fund Act, 1976
- The Mica Mines Labour Welfare Fund Act, 1946
- The Beedi Workers Welfare Cess Act, 1976
- The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972
- The Cine Workers Welfare (Cess) Act, 1981
- The Beedi Workers Welfare Fund Act, 1976
- The Cine Workers Welfare Fund Act, 1981
- The Child Labour (Prohibition and Regulation) Act, 1986
- The Building and Other Constructions Workers' (Regulation of Employment and Conditions of Service) Act, 1996
- The Contract Labour (Regulation and Abolition) Act, 1970
- The Equal Remuneration Act, 1976
- The Industrial Disputes Act, 1947
- The Industrial Employment (Standing Orders) Act, 1946
- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- The Labour Laws (Exemption from Furnishing Retu rns and Maintaining Registers by Certain Establishments) Act, 1988.
- The Maternity Benefit Act, 1961
- The Minimum Wages Act, 1948
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Payment of Wages Act, 1936
- The Cine Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981
- The Building and Other Construction Workers Cess Act, 1996 28. The Apprentices Act, 1961
- The Factories Act, 1948
- The Motor Transport Act, 1961
- The Personal Injuries (Compensation Insurance) Act, 1963
- The Personal Injuries (Emergency Provisions) Act, 1962
- The Plantation Labour Act, 1951
- The Sales Promotion Employees (Conditions of Service) Act, 1976
- The Trade Unions Act, 1926
- The Weekly Holidays Act, 1942
- The Working Journalists and Other Newspapers Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955
- The Children's (Pledging of Labour) Act, 1938
- The Workmen's Compensation Act, 1923 (now renamed as the Employees Compensation Act, 1923)
- The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- The Bonded Labour System (Abolition) Act, 1976
- The Beedi and Cigar Workers (Conditions of Employment) Act, 1966
- The Employees Liability Act, 1938
- The Unorganized Workers Social Security Act, 2008

The objective of Labour Law Audit is to identify areas of non-compliance and offer recommendations to facilitate continuous improvement and compliance.

The purview of such audit will be as follows:

- To check compliance with the prevailing local Labour and Industrial Laws. This would cover a broad spectrum of workplace issues including child labour, contract labour, women's rights, harassment and abuse, wage and overtime violations and health and safety hazards.
- Examine compliance with the laid down policies and procedures of the Company.

9. ENERGY AUDIT

Chartered Accountants can play a very important role as energy auditor. The function of an energy auditor could be compared with that of a financial auditor. At the moment, while energy auditor is not yet a mandatory requirement on an all-India basis, the financial auditor is a pre-requisite for any organisation. The energy auditor is normally expected to give recommendations on efficiency improvements leading to monetary benefits and also advise on energy management issues. Generally, energy auditor for the industry is an external party. Chartered Accountants as energy auditor can quantify energy costs and quantities, correlate trends of production or activity to energy costs, devise energy database formats to ensure they depict the correct picture-by production, department, consumer etc., advise and check the compliance of the organisation for policy and regulation aspects, highlight areas that need attention for detailed investigations, conduct preliminary and detailed energy audits which should normally include the following:

- Data collection and analysis
- Measurements, mass and energy balances
- Reviewing energy procurement practices
- Identification of energy efficiency projects and techno-economic evaluation
- Establishing action plan including energy saving targets, staffing requirements, implementation time requirements, procurement issues, details and cost estimates
- Recommendations on goal setting for energy saving, record keeping, reporting and energy accounting, organisation requirements, communications and public relations

10. ROLE OF CA'S IN CORPORATE GOVERNANCE

Corporate Governance can generally be understood to be a systematic process by which companies are directed and controlled to ensure that they are managed in the manner that meets stakeholders' aspirations and societal expectation. This leads to the corporate governance philosophies of: Trusteeship; Transparency; Empowerment & Accountability; Control and Ethical Corporate behavior. It is hence a powerful engine for social and economic transformation. It is a system of making management accountable to the shareholders for effective management of the companies, in the interest of the company and also with adequate concern for ethics and values.

Some of the key roles that a Chartered Accountant can play include:

- Specialized guidance in designing Code of Corporate Governance
- Specialized guidance in designing Risk Management Framework
- Specialized guidance in designing Internal control framework
- Specialized guidance in designing whistle blower policy
- Internal Audit of Code of Corporate Governance, Risk Management Framework, Internal control framework, Whistle blower policy
- Compliance of Internal Audit of clause 49
- Statutory auditor's Certificate regarding compliance of conditions of corporate governance as stipulated in sub-clause VII(1) of clause 49
- Management Audit pertaining to various regulatory, statutory or listing requirements (Item 15 of Annex. 1A of clause 49)
- Effective role as chairman of audit committee
- Effective role as independent director [clause 49 I(A)(iii) meeting (a-f) criteria]
- Assessment of internal control function under clause 49 V-CEO/CFO Certification.

As a consultant giving specialized guidance to the management, regular and speedy updates on all applicable provisions, evaluating future growth potential and in taking proactive actions in the interests of the company.

ICAI'S SUPPORT

Other Important Links

- Govt. of India Directory - http://goidirectory.nic.in/index.php
- Ministry of Finance- http://commerce.gov.in/
- Central Board of Excise & Customs- http://www.cbic.gov.in/
- Ministry of Commerce- http://www.cbic.gov.in/
- Confederation of Indian Industry (CII)- https://www.cii.in/
- Federation of Indian Chambers of Commerce& Industry (FICCI)- http://ficci.in/
- The Associated Chambers of Commerce & Industry(ASOCHAM)- http://www.assocham.org/
- World Trade Organisation- https://www.wto.org/
- Safeguard Measures – World Trade Organisation- https://www.wto.org/
- The World Bank- http://www.worldbank.org/
- Asian Development Bank- https://www.adb.org/

25 Opportunities Available At ICAI

Opportunities available at ICAI

1. FINANCIAL REPORTING REVIEW BOARD

Empanelment As A Technical Reviewer At Financial Reporting Review Board

To improve the financial reporting practices in the country, the ICAI has constituted Financial Reporting Review Board (FRRB). The Board reviews the General Purpose Financial statements of enterprises with a view to determine compliance with the reporting requirements of various applicable statutes, accounting standards and standards on auditing.

The objectives of the FRRB are achieved through a systematic process of review, which include preliminary review of general purpose financial statements by Technical Reviewers.

Eligibility Criteria To Be Empanelled As Technical Reviewers

1. Possess at least ten years' experience of audit and
2. Be currently active in the practice of accounting and auditing

The members of the Institute who are having comparable experience in industry are also eligible for empanelment on the panel of Technical Reviewers.

It may be noted that the Board empanels selected members possessing outstanding expertise and having extensive experience in the area of accounting and auditing. Accordingly, meeting the eligibility criteria does not ensure empanelment on the Board. The Board reserves the right to accept an application, based on the merits of each case.

How To Register

The members may fill the online 'Application Form for Empanelment as a Technical Reviewer' which is available on the website of the Institute at

http://eforms.icai.org/icaionlineform/frmfrbb.aspx.

Further, after filling the Form online, a duly signed hard copy of the same may be send to the undersigned at the address mentioned therein.

Scale Of Honorarium

There is a provision for payment of an honorarium of ₹ 10,000/- as well as 3 CPE Hours per annual report reviewed.

2. QUALITY REVIEW BOARD

Engagement Of Technical Reviewers Quality Review Board

Government of India has in exercise of the powers conferred under Section 28A of the Chartered Accountants Act, 1949, constituted a Quality Review Board (the 'Board') to recommend to the Council, review and guide the members regarding the quality of services provided by the members of the Institute including audit services as per Section 28B of the Chartered Accountants Act, 1949. The Board in order to discharge its functions has issued the 'Procedure for Quality Review of Audit Services of Audit Firms' (the 'Procedure').

In terms of the aforesaid Procedure, since FY 2012-13 the Board has initiated a system of review of statutory audit services of the audit firms, selection of Audit firms for review and engagement of Technical Reviewers (TRs).

Eligibility Criteria To Be Empanelled As Technical Reviewers

The Board has specified the following basic criteria for empanelment of Technical Reviewers:-

- You should have minimum fifteen years of post-qualification experience as a chartered accountant and be currently active in the practice of accounting and auditing;
- You should have handled as a signing partner/proprietor at least three statutory audit assignments as a Central Statutory Auditor of Banks/Public Limited Companies/ Government Companies/Private Limited Companies having annual turnover of rupees fifty crore and above during the last ten financial years; Provided that out of the aforesaid three statutory audit assignments, at least one must be in respect of entities other than Private Limited Companies;
- You should not have any disciplinary proceeding under the Chartered Accountants Act, 1949 pending against you or any disciplinary action under the Chartered Accountants Act, 1949 / penal action under any other law taken/pending against you during last three financial years and/or thereafter.
- You should not currently be a Member of the QRB Board or ICAI's Central Council/Regional Council/Branch level Management Committee.
- Currently, more than 100 Chartered Accountants are already empanelled as Technical Reviewers with the Quality Review Board.

How To Register

For empanelment the eligible member can fill the online form available at QRB website http://www.qrbca.in/ for the consideration of the Board.

Scale Of Honorarium

₹ 1.25 lacs - ₹ 1.5 lakh is being paid as honorarium for each review depending upon the nature of work involved.

3. PEER REVIEWER

Engagement As Peer Reviewer

Peer Review entails a review of attestation engagement records and related financial and other statements to ascertain that the Practice Unit is adhering to Technical Standards already issued by the Institute. The main objective of Peer Review is to ensure that in carrying out the assurance service assignments, the members of the Institute (a) comply with Technical, Professional and Ethical Standards as applicable including other regulatory requirements thereto and (b) have in place proper systems including documentation thereof, to amply demonstrate the quality of the assurance services. The Statement on Peer Review was released to meet the demands of high quality assurance, consistency and greater transparency. The purpose of the Peer Review statement is to provide a framework for, planning, performing, reporting and administration of the Peer Review process.

Eligibility Criteria To Be Peer Reviewer

The nature and complexity of peer review require the exercise of professional judgment. Accordingly, an individual serving as a reviewer shall:

(a) be a member;

(b) possess at least ten years' experience of audit;

(c) be currently active in the practice of assurance service engagements; and

(d) be free from any obligation or conflict or interest in the reviewed firm or its partners or personnel.

For allotment of review work, a reviewer:-

(a) should have undergone the requisite training imparted by the Board;

(b) should have conducted audit of Level I Entities for at least 7 years to be eligible for conducting Peer Review of Level I Entities as referred to in Para II of the Statement on Peer Review.

(c) should have furnished a declaration to the following effect: -

   (i) that no disciplinary action is pending against him.

   (ii) that he has not been convicted by a Competent Court whether within or outside India, of an offence involving moral turpitude and punishable with transportation or imprisonment.

   (iii) that he is free from any obligation or conflict or interest in the reviewed firm or its partners or personnel; and

(d) should have signed the Statement of Confidentiality.

A Reviewer shall not accept any professional assignment from the Practice Unit for a period of two years from the date of appointment.

Scale of reimbursement

In exercise of power vested in the Peer Review Board by the Statement on Peer Review, the Board hereby notifies that the cost of Peer Review for Stages-I, II, III, including honorarium and TA/DA for reviewer and his qualified assistant, shall be as under:

Total Revenue from Attestation service clients of practice unit (Per Annum) Cost

	Amt. in ₹
Less than ₹ 10 lacs p.a.	15,000
From ₹ 10 lacs to 50 Lacs p.a.	25,000
From ₹ 50 lacs to 1 crore p.a	40,000
From ₹ 1 crore to 3 crore p.a.	60,000
From ₹ 3 crore to 5 crore p.a.	75,000
Above ₹ 5 crore p.a.	1,00,000

The cost of Peer Review is to be calculated on the basis of average revenue earned by the Practice Unit during the period of review at all its units i.e., Head Office and Branches. The average revenue from assurance services will determine the cost of peer review as per the table above. Peer Review is a one-time procedure for the period covered under review and therefore the fees payable for the services is a one-time fees payable for the review. Consolidated Cost of Peer Review is paid by the Practicing Unit to the reviewer for the total period reviewed and not for the per year basis. In this regard, it may also be clarified that the total revenue from the assurance services for the three financial shall be clubbed and average of the same would be taken to arrive at the fee payable which shall be payable as per the notification.

For empanelment please visit
https://www.icai.org/post.html?post_id=1704

4. BOARD OF STUDIES

Opportunities In Board Of Studies

- Visiting faculty in IT labs run by Board of Studies.
- Video lecturing to Students of CPT, Inter and Final – ₹ 4000-₹ 6000 per hour.
- Articles in ICAI Journal - ₹ 5,000 per published article.
- Articles in Students Newsletter - ₹ 2,500 per published article.
- Review of article to be published in Students' Newsletter - ₹ 1000.
- Review of Study Material - ₹ 100 per page and ₹ 150 per page of addition suggested.
- Faculty in GMCS classes and Orientation Programmes - ₹ 750 to ₹ 1500 per 90 minutes.

5. EXAMINATION COMMITTEE

Exam Paper Setting

ICAI also empanels Chartered Accountants for Exam Paper setters at all levels.

Experience: An examiner who has a consistent good track record for more than 5 years is invited to take up the assignment.

Remuneration

CA Final Exam

Paper-Setters	₹ 22,000/-
Moderators	₹ 30,000/-

CA Inter Exam

Paper-Setters	(2, 3 & 6)	₹ 15,000/-
	(1 & 5)	₹ 18,000/-
	(4A, 4B, 7A & 7B)	₹ 9,000/-
Moderator (Full Paper)		₹ 25,000/-
Moderator (Half Paper)		₹ 15,000/-

CA Foundation Exam :

Paper-Setters	(1 & 2)	₹ 12,000/-
	(3 & 45)	₹ 150/- (per question)
Moderator	(1 & 2)	₹ 15,000/-
	(3 & 45)	₹ 12,000/-

Exam Paper Evaluation

The services of Chartered Accountants are also utilized by ICAI as Evaluators for the Exam Papers with following terms and conditions:

- Chartered Accountants with a minimum of four years standing in practice or in service are eligible.
- University Lecturers/Professors with a minimum of five years teaching experience are eligible.
- ICWA, ACS, M.Com, Post Graduates in Economics or Law, Lawyers, IT Professionals, MBA (Finance) and other professionals with at least five years' experience, either

in academic position or in practice or in employment are eligible to apply. Those with work experience having direct relevance to the aforesaid subjects(s) of examination(s) will be preferred.

- Persons above 65 years of age are not eligible.
- Persons who are visually impaired or suffer from such other physically disability that might necessitate taking the assistance of any other person for evaluation of answer books are not eligible.
- Persons who are undergoing CA Course of the Institute are not eligible.
- Persons whose applications were rejected earlier from the Panel are eligible to apply again after a gap of 1 year from the date of rejection.
- Those who are already empanelled with ICAI as examiners and have not been rested/removed need not apply. Their candidature will be considered in the normal course, at the appropriate time.
- Persons associated with the coaching activities are not eligible. Those who have ceased to be associated with the coaching activity are permitted to apply after a gap of 5 years.
- An applicant for empanelment is required to appear and pass an on-line test in the subject of his choice, answer books of which he would like to evaluate, before being empanelled.

The prescribed Remuneration at each level is as below:

Final	
Physical answer books	160/-
Digital/Central Evaluation	190/-
Intermediate (Full paper)	
Physical answer books	125/-
Digital/Central Evaluation	150/-
Intermediate (Half paper)	
Physical answer books	90/-
Digital/Central Evaluation	100/-
Foundation	
Physical answer books	100/-

To register, please visit http://examinerspanel.icaiexam.icai.org/

6. TAX AUDIT REVIEW BOARD

Technical Reviewer (For Tax Audit Review Board)

The Institute has constituted the Taxation Audits Quality Review Board in the year 2018 with an objective to review any report prescribed under the Income-tax Act, 1961 and Rules framed thereunder and any report prescribed under the Indirect Tax Laws including GST Law which are certified by a Chartered Accountant with a view to determine, to the extent possible, compliance with the reporting requirements prescribed under the respective Acts and related Rules and pronouncements, guidance notes issued, if any, by ICAI in respect of the same. To conduct the detailed reviews, the Board is in the process of Empanelling Technical Reviewers having expertise in taxation (both direct as well as indirect). For empanelling as a Technical Reviewer with TAQRB, a member needs to satisfy the following conditions:

(a) Possess at least ten years' Post Qualification experience in the practice of taxation (Direct and/or Indirect); and

(b) Be currently active in the practice of taxation.

By becoming a Technical Reviewer one gets the inherent advantage of furthering one's own technical knowledge in the field of Taxation. A technical Reviewer is entitled to receive an honorarium of ₹ 10,000/- per report reviewed. In case, you are meeting the minimum requirements as mentioned above we request you to fill the online application form at

http://eforms.icai.org/icaionlineform/frmtaxaudit.aspx

7. OTHER OPPORTUNITIES IN ICAI

- One can act as Resource Person in Study Groups.
- Faculty in in-house Executive Development Programmes.
- For contribution on Technical Publications on varied subjects – ₹ 25,000 to ₹ 60,000.
- Faculty in Certificate courses and PQ courses conducted by ICAI, ₹ 1,000-₹ 3,000 per hour. one can act as Paper Setter and Examiner in the examinations conducted arising out of above PQ and Certificate Courses – Honorarium ranges around ₹ 6000 to ₹ 1000 for paper setting, ₹ 50-100 for examinership.

26 ICAI’s Support To Members

ICAI supports its Members & Students with various tool kits for the effective management of their Offices, Auditing Tools for managing their Practices and knowledge updation kits.

ICAI’s Support to Members

OFFICE MANAGEMENT

E-Learning Modules - Infosys Finacle

To set up a benchmark in Bank Audits, the technical expertise of Finacle, Infosys have been utilised wherein they have provided 7 E-Learning Modules (in 12 videos of 120 minutes duration) on Finacle customised for Bank Audit for CAs. The above Self E-learning Modules are being made available online to the members for a period of one year.

‘Tax Cloud’ Software

A web based ITR & TDS Return Preparation: An arrangement of the Committee for Capacity Building of Members in Practice.

The Committee for Capacity Building of Members in Practice (CCBMP) of the ICAI has arranged the ‘Tax Cloud’ software on Web based ITR & TDS Return Preparation for Practising Chartered Accountants & CA Firms of ICAI. The aforesaid software is free of cost for 2 financial years to the Practitioners & CA Firms.

Please visit the website https://taxcloudindia.com/ for web based IT return & e-TDS return.

Antivirus Software At Special Price For Members & Students of ICAI

In order to enable members to have access to antivirus software CCBMP, has tied up with Quick Heal Technologies Pvt. Ltd., Pune for providing access to Quick Heal Total Security at a special discounted price of ₹ 1200/- plus applicable taxes from March, 2018 to March, 2020 for single user for a period of 3 years for the Members & students of ICAI.

Details of above arrangement are available at

https://icai.org/post.html?post_id=11505

Practice Management Software for members in practice & CA Firms of ICAI

The CCMBP has arranged the practice management software for members in practice/firms, in form of cloud software designed for managing the Professional Practice in an effective way.

Details of above are available at

https://www.icai.org/new_post.html?post_id=15286.

INSURANCE SCHEMES

Motor Vehicle Insurance For Members, Students Of ICAI

The CCMBP has entered into a MOU with New India Assurance Co. Ltd. for Motor Vehicle Insurance. The Motor Vehicle Insurance is basically designed for the members but also has been extended to the students and employees of ICAI. Members and students may purchase the Motor Vehicle Insurance Policy online at the website

http://icai.newindia.co.in.

Arrangement For Office Protection Shield Insurance At Special Premium For The Members In Practice/CA Firms

CCBMP has arranged Office Protection Shield Insurance at special premium for members of ICAI.

Members and CA firms desirous to avail the benefits of the aforesaid scheme may please visit

https://icai.newindia.co.in/Account/Home & online solution for the same.

Professional Indemnity Insurance for Members & CA Firms of ICAI.

CCBMP has arranged insurance protection for members in practice/firms in the form of specially designed professional indemnity insurance at a reasonable premium i.e. 85% discount in market rate.

For details please visit https://icai.newindia.co.in/Account/Home & online solution for the same.

Personal Accident Insurance For Members Of ICAI

CCBMP has arranged in the form of specially designed Personal Accident Insurance through the New India Assurance Company Limited, Mumbai for Members & Students of ICAI. The Personal Accident Insurance policy will cover Death/ Permanent Total Disability, loss of Limb(s) & Permanent Partial Disability including reimbursement of hospitalization expense.

Householder's Insurance For Members Of ICAI

The CCBMP is arranging in the form of specially designed Householder's Insurance through the New India Assurance Company Limited, New Delhi for Members of ICAI. The Householder's Insurance policy will cover insurance of building and contents against fire & allied perils inclusive STFI & EQ, housebreaking including larceny & theft, jewellery & valuables, employers liability (WC) on annual wages etc.

REVISED MINIMUM RECOMMENDED SCALE OF THE FEES FOR THE PROFESSIONAL ASSIGNMENTS DONE BY THE CHARTERED ACCOUNTANTS FOR CLASS 'A' & CLASS 'B' CITIES

The CCBMP has prepared a Brochure on Revised Minimum Recommended Scale of the fees for the Professional Assignments done by the Chartered Accountants for Class 'A' & Class 'B' cities.

Please visit https://www.icai.org/post.html?post_id=14230

QUICK INSIGHT 2018

CCBMP has brought out Quick Insight 2018 for the CA fraternity, highlighting latest developments in the profession.

Please visit at https://www.icai.org/post.html?post_id=14719

PUBLICATION OF E-BOOK ON "READY RECKONER ON REGULATORY ASPECTS OF ICAI FOR MEMBERS & CA FIRMS"

The CCBMP has brought out a publication of e-book on "Ready Reckoner on Regulatory Aspects of ICAI for Members & CA Firms" which will provide the practitioners with all requisite information to comply with the various regulatory aspects of ICAI.

Please visit at https://www.icai.org/post.html?post_id=14807.

PUBLICATION OF e-BOOK ON "READY RECKONER ON REGULATORY ASPECTS OF ARTICLED/AUDIT ASSISTANTS: CAPACITY BUILDING FOR CA FIRMS & PRACTITIONERS"

CCBMP has brought out a publication of e-book on "Ready Reckoner on Regulatory Aspects of Articled/Audit Assistants: Capacity Building for CA Firms & Practitioners".

Please visit at

https://www.icai.org/new_post.html?post_id=15063&c_id=240

PORTAL OF ICAI KNOWLEDGE BANK – CONSOLIDATION OF ICAI PUBLICATIONS

CCBMP has arranged the portal kb.icai.org gateway to ICAI Knowledge Bank for Consolidation of all the Publications of ICAI. The portal in such a way designed for search/Advance search facility and management of publications, the portal has also featured in the said portal such as user will be able to search uploaded documents with a key phrase.

Please visit at http://kb.icai.org/

ICAI CONNECT – A SELF-SERVICE PORTAL FOR MEMBERS OF ICAI

The CCBMP has launched the ICAI Connect, a self-service portal for the members of ICAI. The feature of the aforesaid single window self-service portal includes viewing personal Profile and firms constitution. Please visit at http://ssp.icai.org/.

ONE DAY FIRM REGISTRATION

In order to promote the 'Ease of Business' among our members, an online facility has been developed by Professional Development Committee jointly with Digital Transformation Process Reengineering Group of ICAI for registration of proprietorship firm by Chartered Accountants within 24 hours.

Under the facility, any member desiring to establish the proprietorship firm will get options of Firm Names online. With this system, manual involvement has been eliminated and hence, would be saving precious time of our members. Please visit at http://sdb.icai.org.

UNIQUE DOCUMENT IDENTIFICATION NUMBER (UDIN)

It has been noticed that financial documents/ certificates attested by third person misrepresenting themselves as CA Members are misleading the Authorities and stakeholder. ICAI is also receiving number of complaints of forged signatures. To curb the malpractices, the Professional Development Committee of ICAI has implemented an innovative concept of UDIN i.e. Unique Document Identification Number to secure the certificates/documents attested/certified by practicing Chartered Accountants which is being made mandatory as per Council decision with effect from **1st February, 2019** in phased manner.

Full time Practicing CAs can register them by visiting at https://udin.icai.org/ and generate UDIN by registering the certificates/documents attested/certified by them.

VARIOUS COURSES/CERTIFICATES OF ICAI

Courses provided by ICAI that enhances values for a CA in practice.

Institute of Chartered Accountants of India conducts several professional courses for its qualified members (available at https://www.icai.org/new_post.html?post_id=3581&c_id=81). These courses not only enhance professional competence of the members but also lets them undertake variety of professional work. Some of these courses are as under:

- Diploma in Insurance and Risk Management (DIRM) (https://www.icai.org/new_category.html?c_id=97)
- Information Systems Audit (ISA) (https://www.icai.org/new_category.html?c_id=95)
- International Trade Laws & World Trade Organisation (ITL & WTO)

  (https://www.icai.org/new_post.html?post_id=1948&c_id=99)
- Management Accountancy Course (MAC)/Corporate Management Course (CMC)/Tax Management Course (TMC) (https://www.icai.org/new_category.html?c_id=98)
- Post Qualification Diploma in International Taxation (https://www.icai.org/new_post.html?post_id=13126)
- Certificate Courses for Members (https://www.icai.org/new_post.html?post_id=3581&c_id=81)
- Certificate Course on GST (http://idtc.icai.org/certificate-course-gst.html)
- Certificate Course on ADR (Arbitration, Mediation & Conciliation) (https://www.icai.org/post.html?post_id=11739)
- Certificate Course on Anti Money laundering Laws (Anti- Money Laundering Specialist) (https://www.icai.org/post.html?post_id=11740)
- Certificate Course on Cooperatives (https://www.icai.org/post.html?post_id=12625)
- Certificate Course on Not-for-Profit Organizations (NPOs) (https://www.icai.org/post.html?post_id=12631)
- Certificate Course on Wealth Management and Financial Planning (https://www.icai.org/new_post.html?post_id=11179&c_id=240)
- Certificate Course on Enterprise Risk Management (https://www.icai.org/post.html?post_id=4287)
- Certificate Course on Concurrent Audit of Banks (https://www.icai.org/post.html?post_id=8236)
- Certificate Course on Internal Audit (https://www.icai.org/post.html?post_id=7606)
- Certificate Course on Master in Business Finance (https://www.icai.org/post.html?post_id=4092)
- Certificate Course on International Taxation (https://www.icai.org/post.html?post_id=3859)
- Certificate Course on Forensic Accounting and Fraud Detection (https://www.icai.org/post.html?post_id=3797)
- Certificate Course on Indian Accounting Standards Ind AS) (https://www.icai.org/post. html?post_id=3562&c_id=266)
- Certificate Course on Forex and Treasury Management (https://www.icai.org/post.html?post_id=3552&c_id=266)

Annexure 1
Policy of Empanelment of CA Firms/LLPs and Selection of Auditors of PSUs by C&AG

Empanelment of CA Firms/LLPs

Chartered Accountant firms (firms) and Limited Liability Partnerships (LLPs) in India with at least one full time[1] FCA (Partner/Sole Proprietor) can apply for empanelment with this office for the purpose of appointment of auditors of Companies as per Section 139(5) and 139(7) of the Companies Act, 2013 and of Statutory Corporations/Autonomous Bodies as per the provisions of their respective Acts.

The criteria for empanelment and selection of statutory auditors have been arrived at after due consultation with the Institute of Chartered Accountants of India.

Selection of Firms/LLPs For Appointment as Auditors where Audit Fees are up to ₹ 1.50 lakh

The selection is made by correlating the point score earned by each firm/LLP of Chartered Accountants towards empanelment with size of the audit fee. The point score[2] is based upon the experience of the firm/LLP, number of partners and their association[3] with the firm/LLP, number of Chartered Accountant employees, as detailed below:

Experience of the firm/LLP	0.5 point for every calendar year - Maximum 15. (Counted from the date of constitution of the firm/LLP with one full time FCA or date of joining of the firm/LLP by the existing partner having the longest association with the firm/LLP whichever is later.)
Full Time FCA Partners	5 points each for first 5 partners and 2.5 points each from 6th partner onwards
Full Time ACA Partners	3 points each for first 5 partners (including FCA partners) and 1.5 points each from 6th partner onwards
Points for long association with the same firm/LLP	5 points for each partner above 25 years
	4 points for each partner above 20 years
	3 points for each partner above 15 years
	2 points for each partner above 10 years
	1 point for each partner below 10 Years but above 5 Years
Full Time CA Employees	1 point each for first 20 C.A Employees – Maximum 20 points
CISA/ISA Qualified Full Time Partners	2 points each for three partners – Maximum 6 points
CISA/ISA qualified Full Time Chartered Accountant Employees	1 point each – Maximum 3 points for 3 employees
Turnover of the firm/LLP[4]	Maximum 5 points

1 Full time partner does not include.

2 All members (sole proprietors/partners/CA employees) will get points if they were exclusively associated with the firm/LLP throughout the calendar year immediately preceding the year of empanelment.

3 In case of merger, the partners of the merging firms/LLPs will be assigned points after one year of merger and points for partner's association to be given after five years from the date of merger.

4. Basis of points for turnover of the firm/LLP.

Selection of Firms/LLPs for Appointment as Auditors where Audit Fee is above ₹ 1.50 lakh (Major Audits)

(a) Criteria for short-listing eligible firms/LLPs of CAs for allotment of Major audits are as under:

(i) The firm/LLP should have at least 6 CAs (out of which 5 should be full time partners and one could be a full time paid CA employee), which is indicative of capacity to handle big audits.

(ii) At least one partner should have an association of 10 years or more with the firm/LLP and at least 3 partners of the firm/LLP should have an association of 5 years or more with the firm/ LLP and the remaining two should have an association of one year or more with the firm/LLP, to demonstrate stability over time.

(iii) The firm/LLP itself should have been in existence for 10 years or more, to prove that it is a well established firm/LLP.

(b) Allotment of major audits is based not only on the size of the firm/LLP considering the number of partners, and their association with the firm/LLP, number of Chartered Accountant employees, and the Zone in which the firms'/ LLPs' head office is located but also on the basis of factors such as sectoral experience, service tax paid by the firm/LLP on assurance services, capability of handling big audits, past performance, eligibility of the firm/LLP to conduct a particular audit, location of the firm's/LLP's branch offices etc.

A person who is

(a) a partner in other firms/LLPs

(b) Employed full time/part time elsewhere, practicing in their own name or engaged in practice otherwise or engaged in other activity which would be deemed to be in practice under Section 2(2) of the Chartered Accountants Act, 1949.

(c) (i) Partners whose total compensation @ from the firm/LLP is below the following limit:

Head office of the firm/LLP located in Delhi, Mumbai, Chennai, Kolkata, Bangalore and Hyderabad:

ACA partner	₹ 1.80 lakh in a year (₹ 15000/- per month)
FCA partner	₹ 3.00 lakh in a year (₹ 25000/- per month) Head office of the firms/LLP located other Places:

Head office of the firms/LLP located other places:

ACA partner	₹ 1.20 lakh in a year (₹ 10000/- per month)
FCA partner	₹ 1.80 lakh in a year (₹ 15000/- per month)

(c) (ii) A partner whose individual percentage share in the total compensation@ is less than:

Firms/LLPs having more than 14 partners	1%
Firms/LLPs having 10 to 14 partners	3%
Firms/LLPs having 5 to 9 partners	5%
Firms/LLPs having less than 5 partners	8%

@Total compensation = Sum total of share of profit, remuneration and interest on capital of all the partners from the firm/LLP.

Sr No.	*Metro Stations (Mumbai, Delhi, Chennai, Kolkata, Bangalore, Hyderabad)*		*Non-Metro Stations (Other Stations)*	
	₹ in crore	*Points*	*₹ in crore*	*Points*
1	Up to 1.00	No. points	Up to 0.60	No. points
2	>1.00 ----2.00	1	>0.60 ---1.20	1
3	>2.00 ----3.00	2	>1.20 ---1.80	2
4	>3.00 ----4.00	3	>1.80 ---2.40	3
5	>4.00 ----5.00	4	>2.40 ---3.00	4
6	Above 5.00	5	Above 3.00	5

Source: _

Annexure 2.1
Norms on Eligibility, Empanelment and Selection of Statutory Central Auditors (SCAS) in Public Sector Banks from the Year 2018-19 and Onwards

Norms for the Empanelment

(i) The audit firm shall have a minimum of 7 full time chartered accountants, of which at least 5 should be full time partners exclusively associated* with the firm. Of these five full time exclusively associated* partners, one each should have minimum continuous association with the firm at least for 15 years and 10 years, two with a minimum continuous association of 5 years each and one with a minimum continuous association of one year. The remaining two could be either exclusively associated* partners or CA employees. There should be at least one year continuous association for both exclusive partners and CA employees. Four of the partners should be FCAs. Also, at least two of the partners should have minimum 15 and 10 years experience in practice. (In case the paid Chartered Accountant available with the firm without any break was admitted as a partner of the said firm at a future date, his association with the firm as a partner will be counted from the date of his joining the firm as a paid Chartered Accountant.)

* The definition of 'exclusive association' will be based on the following criteria:

(a) The full time partner should not be a partner in other firm/s.

(b) He should not be employed full time/part time elsewhere.

(c) He should not be practicing in his own name or engaged in practice otherwise or engaged in other activity which would be deemed to be in practice under Section 2(2) of the Chartered Accountants Act, 1949.

(d) The total compensation@ of the partner from the firm should not be below the following limit:

In case the Head office of the firms located in

(i) Delhi, Mumbai, Chennai, Kolkata, Bangalore and Hyderabad

ACA partner	₹ 1.80 lakh in a year (₹ 15000/- per month)
FCA partner	₹ 3.00 lakh in a year (₹ 25000/- per month)

(ii) Other places

ACA partner	₹ 1.20 lakh in a year (₹ 10000/- per month)
FCA partner	₹ 1.80 lakh in a year (₹ 15000/- per month)

(e) A partner whose total compensation@ from the firm is less than the following will not be treated as exclusively associated with the firm:

Firms having more than 14 partners	1%
Firms having 10 to 14 partners	3%
Firms having 5 to 9 partners	5%
Firms having less than 5 partners	8%

@Total compensation = Sum total of share of profit, remuneration and interest on capital.

(ii) The number of professional staff (excluding typists, stenographers, computer operators, secretary/ies and sub-ordinate staff etc.), consisting of audit and articled clerks with knowledge in book-keeping and accountancy and are engaged in outdoor audit should be 18.

(iii) The standing of the firm should be of at least 15 years which would be reckoned from the date of availability of one full time FCA continuously with the firm.

(iv) The firm should have minimum statutory central audit experience of 15 years of Public Sector Banks (before or after nationalisation) and/or by way of statutory branch audit thereof or that of statutory audit experience of a private sector bank with deposits resources of not less than ₹ 500 crore. (In case any of the partner of an audit firm is nominated/elected for a period of at least

3 years or more on the Board of any public sector bank then his/her such experience for a maximum period of three years will be considered as bank audit experience, provided such experience has not been earned by him/her concurrently i.e., when his/her firm was assigned statutory audit of any PSB, select all India financial Institutions or RBI.)

(v) The firm should have statutory audit experience of 5 years of the Public Sector Undertakings (either Central or State Government undertaking).

(While calculating such experience, more than one assignment given to a firm during a particular year or more than one year's statutory audit (audits in arrears) assigned to the firm will be reckoned, as one year experience only, for the purpose of counting such experience.)

(vi) At least two full time partners of the firm or its paid full time Chartered Accountants must possess CISA/ISA qualification.

(vii) In case of merger and demerger of firms, merger effect will be given after 2 years of merger while demerger will be effected immediately.

Note-

1. C&AG will empanel the Audit Firms based on the above parameters as on January 1 of the relevant year and send the panel to RBI.

2. If any audit firm empanelled by C&AG with the position as on January 1 undergoes change in its constitution after empanelment date, the audit firm will take all necessary steps to become eligible within a reasonable time and in any case, audit firm should be complying with above norms [Para 1(i) to (vii)] on eligibility, empanelment and selection of Statutory Central Auditors in Public Sector Banks hosted on RBI website before the following events:

    a. Appointment of the audit firms by the PSBs as SCAs. For this, the audit firm while giving consent to PSB for appointment may ensure that it complies with the norms.

    b. Before commencement of Annual Statutory Audit for Financial Year ending 31st March and till the completion of annual audit.

    c. Quarterly Review of Accounts as on June 30, September 30 and December 31 every year till its completion.

In case any audit firm (after appointment) does not comply with any one of the norms (on account of resignation, death etc. of any of the partners, employees etc.), it may promptly approach the PSB with full details. The PSB in turn may approach RBI.

Procedure for Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks

1. The number of SCAs to be appointed in Public Sector Banks (PSBs) will be as under:

    i) Category "A" Banks (Large Banks viz., Bank of Baroda, Bank of India, Canara Bank, Punjab National Bank, Central Bank of India, IDBI Bank and Union Bank of India) shall not have more than 6 SCAs. However, in case of SBI the number of SCAs shall not be more than 14.

    ii) Category "B" Banks (Medium Banks viz,. Allahabad Bank, Corporation Bank, Indian Bank, Indian Overseas Bank, Oriental Bank of Commerce, Syndicate Bank and UCO Bank) shall not have more than 5 SCAs, and;

    iii) Category "C" Banks (Small Banks viz., Andhra Bank, Bank of Maharashtra, Dena Bank, Punjab & Sind Bank, United Bank of India and Vijaya Bank) shall not have more than 4 SCAs.

    Actual numbers of SCAs to be appointed can be decided by respective boards subject to the above limit.

2. The cooling off period after completing the term of three years as SCA will be of three years.

3. The appointment of SCAs will be made on an annual basis, subject to their fulfilling the eligibility norms prescribed by RBI from time to time and also subject to their suitability.

4. The Government has decided that from the financial year 2014-15, selection and appointment of SCAs is delegated to individual Public Sector Banks.

5. The procedure that will be followed for selection of SCAs by the PSBs is as under:

    a) The eligible list of firms furnished by C&AG every year will be subjected scrutiny by RBI for identifying the continuing, rested and non-continuing firms and excluding audit firms against whom adverse remarks/disciplinary proceedings are pending or who have been denied audit.

    b) RBI will verify that the firm has minimum bank audit experience of 15 years from its records.

    c) RBI will prepare separate list of rested, continuing and non continuing eligible audit firms after excluding the name of firms who have been denied audit by RBI/C&AG and the firms who have declined the offer of appointment given by Public Sector Banks. The list of non continuing eligible audit firms will be further split up into list of experienced audit firms and new audit firms.

An 'Experienced' firm is one which has a Statutory Central Audit experience of any of the Public Sector Banks and 'New Firm' is one who does not have such experience.

Reserve Bank will be giving Public Sector Banks (i) List of continuing firms (i.e., the list of audit firms who have not completed three years of audit (ii) List of eligible, non continuing audit firms in two parts viz., experienced audit firms and new audit firms.

d) The allotment of vacancies of SCAs shall be in the ratio of 60:40 between 'Experienced' and 'New' audit firms. As regards ratio of 60:40, banks will round the number to the nearest round number and choose auditors from the 'Experienced' and 'New' firm list.

e) The Office of the Comptroller & Auditor General of India (C&AG) will provide a graded panel. The audit firms in case of both the panels i.e., experienced as well as new firms, will be ranked (highest to lowest) based on the points given by C&AG. The banks will select the statutory auditors as per norms from the two panels. For Category 'A' banks, cut off limit for selection of audit firms will be 4 times of vacancy in that category while for Category 'B' banks, cut off limit will be 8 times of vacancy. Category 'C' banks will have the liberty to choose audit firms from the entire panel. The cut offs for category 'A' and 'B" banks, both for experienced as well as new firms, will be indicated by RBI at the time of forwarding the panels to banks.

f) While making final selection, the PSBs will take into consideration the following points:—

i. As far as possible, the bank should have at least two audit firms having their Head Office from the same place where the banks' HO/ CO is located. This condition is applicable for the combined pool of continuing and fresh auditors.

ii. Audit firms are not selected in the PSB from where they last retired (after completing the full term) before going under rest.

iii. The firms whose partner/s are on the Boards of PSBs are not appointed as auditors for the same PSB.

iv. In case of SBI, only experienced audit firms are considered as SCAs.

v. An audit firm is eligible to be appointed as a Central/ Branch auditor of only one PSB during a particular year.

vi. PSBs will make parameters for short listing the audit firms.

vii. If any partner of a Chartered Accountant firm is a non-official director in any PSB, no partner of the same firm be appointed as Statutory Central Auditor of any PSB.

The above parameters may be approved by the Board.

PSBs will prepare list of shortlisted audit firms in terms of above parameters.

PSBs will obtain the willingness in writing from above shortlisted audit firm(s) to accept the assignment of Statutory Central Audit work.

In the willingness letter, it should be clearly mentioned that there is no commitment on the part of PSBs to allot the Statutory Central Audit work to the auditors and the audit firms are free to give similar willingness to multiple PSBs, if approached by other PSBs.

The list of shortlisted audit firms will be placed before ACB. The ACB will approve adequate number of audit firm (s) in order of preference. The number of audit firms approved should be adequate enough to take care of the situation where some firms may not give consent.

Thereafter, PSBs will approach the audit firms to obtain their consent in writing strictly in order of preference. The audit firm should give their consent in writing for consideration of appointment in the bank concerned for the particular year and the subsequent continuing years subject to complying with para 3 above. If the approached audit firm does not give consent, the bank will approach the next audit firm in order of preference for obtaining consent till the time the number of audit firms who have given the consent equals to number of vacancies for the particular year.

The consent letter may clearly state that this selection of the audit firms as Statutory Central Auditor is subject to approval of RBI and any force majeure events and, in such cases, the audit firms will not have any claim against the PSBs and RBI. The PSBs may also clearly mention in the consent letter that appointment is subject to complying with the stipulated norms on eligibility and empanelment issued by RBI from time to time. In the consent letter, the audit firm should declare that consent is given to one PSB only.

It may also be incorporated in the consent letter that the consent given by an audit firm will be treated as irrevocable and request, if any, from audit firms for changing the bank, after giving its consent to the bank concerned will not be entertained.

The list of such selected firms (i.e., the firms who have given consent in the manner as stated above) who have given consent for appointment as statutory central auditors in PSBs may be placed before the ACB for its concurrence before it is forwarded to RBI for final approval.

6. Audit firm(s) selected by the PSBs after obtaining consent in writing from the audit firm will be debarred for a period of 3 years for selection if the firm refuses to accept the appointment without a reasonable ground, that is ground not to the satisfaction of RBI.

7. The above norms will be implemented during the selection process of SCAs for the year 2018-19 and onwards.

8. After selection, as per the statutory requirement, banks, in turn, are required to forward the names of the selected SCAs to RBI for its prior approval before their actual appointment.

9. A feedback on the quality of audit of SCAs may be given by PSBs to RBI after the annual audit of banks.

10. Other guidelines

    i. In order to protect the independence of the auditors/audit firms, banks will have to make the appointments of SCA for a continuous period of three years subject to the firms satisfying the eligibility norms each year. Banks cannot remove the audit firms during the above period without the prior approval of the Reserve Bank of India.

    ii. All PSBs are required to have a Board approved policy for appointment of statutory auditors and the same may be hosted on the bank's website. Banks are also required to ensure that the policy framed by the Board in the matter of selection of auditors/ audit firms for appointment of auditors is strictly adhered to.

Note : A full time partner does not include a person who is:

(1) A partner in other firms.

(2) Employed full time/part time elsewhere, practicing in own name or engaged in practice otherwise or engaged in other activity which would be deemed to be in practice under Section 2(2) of the Chartered Accountants Act, 1949.

Source: https://rbi.org.in/scripts/bs_viewcontent.aspx?Id=3582

Annexure 2.2
Norms on Eligibility, Empanelment and Selection of Statutory Branch Auditors (SBAS) in Public Sector Banks from the Year 2016-17 and Onwards

Norms for the Empanelment

Category	***No. of CAs exclusively associated with the firm (Full time)***	***No. of partners exclusively associated with the firm (full time) (Out of 2)***	***Professional staff***	***Bank audit experience***	***Standing of the audit firm***
(1)	***(2)***	***(3)***	***(4)***	***(5)***	***(6)***
I.	5	3	8	The firm or at least one of the partners should have a minimum of 8 years experience of branch audit of a nationalised bank and/or of a private sector bank.	8 years
II.	3	2	6	The firm or at least one of the partners should have preferably conducted branch audit of a nationalised bank or of a private sector bank for at least 5 years.	6 years (for the firm or at least one partner)
III.	2	1	4	The firm or at least one of the CAs should have preferably conducted branch audit of a nationalised bank or of a private sector bank for at least 3 years	5 years (for the firm or at least one partner)
IV.	2	2	2	Not necessary	3 years
	Even proprietorship concern without bank audit experience may be considered as hitherto. (The proprietary concerns of Chartered Accountants with 1 paid CA, 2 professional staff and not having any statutory branch audit experience of a nationalised bank or of a private sector bank will be treated at par with the partnership firm after deducting their 3 years seniority from the date of their establishment).				

Procedure for Appointment of Statutory Branch Auditors (SBAs) in Public Sector Banks

1. The norms for selection of branches of PSBs for statutory audit from the year 2016-17 and onwards will be based on the following:

   Statutory branch audit of PSBs may be carried out for all branches with advances of ₹ 20 crore & above and 1/5th of the remaining branches covering a representative cross section of rural/semi-urban/urban and metropolitan branches, predominantly including branches which are not subjected to concurrent audit, so as to cover 90% of advances of a bank. CPUs/LPUs/and other centralized hubs by whatever nomenclature called would be included in the one fifth of the remaining branches every year.

   In respect of branches below the cut-off point, which are subject to concurrent audit by chartered accountants, henceforth, LFARs and other certifications done earlier by SBAs will now be submitted by the concurrent auditors to the Chairman of the bank and such branches may not generally be subject to statutory audit. The banks in turn will consolidate/compile all such LFARs and other certifications submitted by the Concurrent Auditors and submit to Statutory Central Auditor as an internal document of the bank.

   Going forward, in mutual discussions with GoI and SCAs, based, *inter alia*, on the operational efficiency and robustness of CBS, system driven identification of NPAs, and integrity of MIS, managements of individual PSBs may decide on the threshold level of advances for the purpose of selecting branches for statutory audit.

   Progressively, the threshold level of advances may be increased so that the number of branches to be taken up for statutory audit is phased down over a period of time.

2. The following procedure will be followed for appointment of Statutory Branch Auditors (SBAs) in Public Sector Banks (PSBs):

   The list of eligible auditors/audit firms will be prepared by the Institute of Chartered Accountants of India (ICAI) as per the norms prescribed by RBI.

   The above list will be subject to scrutiny by RBI for identifying the continuing and rested firms and excluding audit firms against whom adverse remarks/disciplinary proceedings are pending or who have been denied audit.

   RBI will, thereafter, forward the final list of all eligible auditors/audit firms to PSBs for selection.

   The PSBs will select the required number of branch auditors/audit firms. Banks will be required to clearly advise the audit firms selected for consideration of appointment that each audit firm can take up audit assignment (branch audit) in one PSB only. The audit firm should give their consent in writing for consideration of appointment in the bank concerned for the particular year and the subsequent continuing years.

   The consent given by an audit firm will be treated as irrevocable and request, if any, from audit firms for changing the bank, after giving its consent to the bank concerned will not be entertained.

   After the selection of branch auditors, PSBs will be required to recommend the names of both continuing and selected branch auditors to RBI for seeking its prior approval before their actual appointment, as per statutory requirement.

3. SBAs will have a maximum tenure of four years. The appointment of SBAs will be made on an annual basis, subject to their fulfilling the eligibility norms prescribed by RBI from time to time and also subject to their suitability.

4. The number of eligible auditors/audit firms is more than the number of branches to be audited at the following 33 centres (viz. Mumbai, Kolhapur, Pune, Solapur, Thane, Kolkata, Chennai, Coimbatore, Delhi/ New Delhi, Ajmer, Bikaner, Jaipur, Kota, Udaipur, Ahmedabad, Vadodara, Surat, Hyderabad, Chandigarh, Raipur, Faridabad, Gurgaon, Panchkula, Panipat, Sonipat, Bangalore, Ernakulam, Indore, Nagpur, Ludhiana, Jodhpur, Bhilwara, and Ghaziabad). In such centres, the auditors/audit firms will be put to a period of compulsory rest for two years after completion of four years of continuous branch audit. In other centres, where the number of eligible auditors/ audit firms is less than the number of branches to be audited, the branch auditors on completion of four years of continuous branch audit will be subjected to the policy of rotation.

5. While allotting branches, banks are required to select auditors/audit firms which are in close proximity to their offices/branches. Banks are also required to have a suitable mix of various categories of auditors/audit firms while selecting the branch auditors keeping in view the size of the branches to be audited.

6. As regards statutory branch audit to be carried out by SCAs, banks will allot the top 20 branches (to be selected strictly in order of the level of outstanding advances) in such a manner as to cover a minimum of 15% of total gross advances of the bank by SCAs.

General Guidelines Applicable to SBAs

(i) All PSBs are required to have a Board approved policy for appointment of statutory auditors and the same may be hosted on the bank's web-site. Banks are also required to ensure that the policy framed by the Board in the matter of selection of auditors/audit firms for appointment of auditors is strictly adhered to. Further, the list of firms selected for appointment as statutory branch auditors may be placed before the ACB/Board of bank before for its concurrence before it is forwarded to RBI for final approval.

(ii) The policy of one audit firm for one PSB will be continued. Accordingly an audit firm will be eligible to be appointed as a central/branch auditor of only one PSB during a particular year.

(iii) In order to protect the independence of the auditors/ audit firms, banks will have to make the appointments of branch auditors for a continuous period of four years subject to the firms satisfying the eligibility norms each year. Banks cannot remove the audit firms during the above period without the prior approval of the Reserve Bank of India.

(iv) The firms whose partner/s are on the Boards of PSBs are not to be appointed as auditors of the same PSB.

Source: https://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=946

Annexure 3
Government Schemes

There are a number of Central and State Government Schemes/programme, which are funded by multilateral agencies or by the Government relating to the basic functions and objectives of the Government. In most cases, such programme funds require a precise end-use accounting and auditing in order to assure continued access to the total committed funds. Chartered Accountants are being utilised for setting up systems for programme accounting and can also develop the necessary accounting manuals so that the envisaged systems can be implemented in line with the best practices worldwide. As programme auditors, they can also provide auditing and assurance services as may be required. Also, Chartered Accountants can give a certificate for the end-use of funds.

Ministry	Scheme	Quick Links
Department of Agriculture & Cooperation	National Food Security Mission (Green Revolution)	http://nfsm.gov.in/Guidelines/XIIPlan/NFSMXII.pdf
Department of Health and Family Welfare	National Health Mission	https://mohfw.gov.in/
Department of Health and Family Welfare	National Rural Health Mission	https://mohfw.gov.in/
Department of Ayush	National Mission on Ayush	http://ayush.gov.in/sites/default/files/4197396897-Charakasamhita%20ACDP%20%20english_0.pdf
Department of AIDS Control	National AIDS Control Programme including STD Control	http://naco.gov.in/sites/default/files/19%2C%20Operational%20Guidelines%20forFinancial%20Management%20Final.pdf
Ministry of Housing and Urban Poverty Alleviation	Integrated Low Cost Sanitation Scheme (ILCS)	http://urban.bih.nic.in/Docs/ILCS-Guidelines.pdf
Department of School Education and literacy	National Programme of Nutritional Support to Primary Education (MDM)	http://www.upmdm.org/docs/MDM2004.pdf
Ministry of Labour & Employment	Skill Development	http://www.skilldevelopment.gov.in/assets/images/annual%20report/Annual%20Report%202016-2017%20-%20English.pdf
Department of Rural Development	National Rural Housing Scheme	http://pmayg.nic.in/netiay/IAY%20revised%20guidelines%20july%202013.pdf
Department of Drinking Water Supply	National Rural Drinking Water Programme (NRDWP)	http://mdws.gov.in/sites/default/files/NRDWP_Guidelines_2013.pdf
Department of Drinking Water Supply	Central Rural Sanitation Programme	https://mdws.gov.in/sites/default/files/TSCGuideline2007_0.pdf

Ministry	Scheme	Quick Links
Ministry of Social Justice And Empowerment	Empowerment of OBC	http://socialjustice.nic.in/writereaddata/UploadFile/Revised-Central-Sector-Scheme-of.pdf
Ministry of Textiles	Handloo Export Scheme	http://www.hepcindia.com/wp-content/uploads/2017/09/HEPC-2016-17-Annual-Report-Inner.pdf
Ministry of Tribal Affairs	Development And Empowerment of Tribal Communities	https://tribal.nic.in/writereaddata/AnnualReport/AnnualReport2016-17.pdf
Ministry of HRD	National Programme of Nutritional Support To Primary Education (NPNSPE)	http://www.schooleducation.kar.nic.in/pdffiles/mdmguidelines2006.pdf
Ministry of HRD	Scheme for Infrastructure Development Private AIDED/UNAIDED Minority Institutes (IDMI) – (Elementary Secondary/ Senior Secondary Schools)	http://mhrd.gov.in/sites/upload_files/mhrd/files/upload_document/IDMI-scheme.pdf
Ministry of HRD	State Resource Centre (SRC)	http://mhrd.gov.in/sites/upload_files/mhrd/files/upload_document/Guidelines_Src.pdf
Ministry of HRD	Jan Shikshan Sansthan (JSS)	http://mhrd.gov.in/sites/upload_files/mhrd/files/upload_document/JSS_Guidelines.pdf
Ministry of Water Resources, River Development And Ganga Rejuvenation	Ganga Rejuvenation	http://nmcg.nic.in/annual_account.aspx
Ministry of Women And Child Development	National Creche Scheme (NCS)	http://www.wcd.nic.in/sites/default/files/Revised%20RGNCSScheme_210515.pdf
Ministry of Women And Child Development	Ujjawala	http://www.wcd.nic.in/sites/default/files/Ujjawala%20New%20Scheme.pdf
Ministry of Women And Child Development	Working Women Hostel (WWH)	http://www.wcd.nic.in/sites/default/files/Working%20Women%20Hostel_about_revised_about.pdf
Ministry of Women And Child Development	Swadhar Greh	https://www.india.gov.in/spotlight/swadhar-greh-scheme
Ministry of Women And Child Development	Support to Training And Employment Programme For Women (STEP)	http://www.wcd.nic.in/sites/default/files/REVISEDSTEPGUIDELINES2014_1.pdf
Ministry of Women And Child Development	General Grant-In-Aid Scheme in the field of Women and Child Development	https://wcd.nic.in/sites/default/files/gia_scheme_hindi.pdf

Ministry	Scheme	Quick Links
Ministry of Women And Child Development	Gender Budgeting Scheme (GBS)	http://www.wcd.nic.in/sites/default/files/gbscheme.pdf
Ministry of Ayush	Evolving Pharmacopoeial Standards For Ayurveda, Siddha, Unani And Homoeopathy Drugs And Standardized Operating Procedures (SOPS) of Manufacturing Processes of Ayush Drugs	http://ayush.gov.in/sites/default/files/2508074139-APC%20REVISED%20SCHEME1.pdf
Ministry of Ayush	Central Sector Scheme For Promotion of International Co-operation In Ayush (PICA)	http://ayush.gov.in/sites/default/files/-Revised%20IC%20scheme%20%20%20ic.pdf
Ministry of Ayush	Scheme of Grant-In-Aid for Promotion of Ayush Intervention in Public Health Initiatives (GPAIPHI)	http://ayush.gov.in/sites/default/files/1096260241-ACCEPTED%20MODE%20PHI%20after%20SFC%20-%20Copy%20-%20Copy%20%2016.pdf
Ministry of Tourism	Marketing Development Assistance Scheme (MDAS)	http://commerce.gov.in/writereaddata/trade/mda-guidelines.pdf
Ministry of Environment and Forest	Animal Welfare (AW)	http://www.moef.nic.in/sites/default/files/chap7_0.pdf
Ministry of Food Processing Industry	Cold Chain Projects (CCP)	http://mofpi.nic.in/sites/default/files/guidelines_08.03.2018_0.pdf
Ministry of Food Processing Industry	Scheme For Creation/ Expansion of Food Processing/Preservation Capacities (CFPC)	http://mofpi.nic.in/sites/default/files/20171213154905_0.pdf
Ministry of Food Processing Industry	Agro Processing Cluster (APC)	http://mofpi.nic.in/sites/default/files/operational_guideline_of_agro-processing_clusters_scheme-_21.02.2018_-_st_and_sc-_final.pdf
Ministry of Food Processing Industry	Scheme for Creation of Backward And Forward Linkages (CBFL)	http://mofpi.nic.in/sites/default/files/revised_cbfl_guidelines_0.pdf
Ministry of Micro Small and Medium Enterprises	International Co-operation (IC) Scheme	http://msme.gov.in/sites/default/files/Revised-IC-Scheme%20Guidelines%2016.12.2016_New_06032017.pdf
Ministry of Housing and Urban Affairs	Heritage City Development & Augmentation Yojana	http://hridayindia.in/downloads/Operational_Guidelines_for_HRIDAY_scheme.pdf

Annexure 4
Various Tender links of Public Sector Undertakings

Public Sector Undertakings	Links
Agrinnovate India Ltd.	http://www.agrinnovateindia.co.in/india/index/108/tenders
Air India Air Transport Services Ltd.	http://www.airindia.in/air-india-tenders.htm
Air India Engineering Services Ltd.	http://www.airindia.in/tenders.htm
Air India Express Ltd.	http://www.airindia.in/air-india-tenders.htm
Air India Ltd.	http://www.airindia.in/air-india-tenders.htm
Airline Allied Services Ltd.	http://www.airindia.in/air-india-tenders.htm
Airports Authority of India	https://www.aai.aero/en/tender/e-tender
Andaman & Nicobar Islands Forest & Plantation Development Corp. Ltd.	http://db.and.nic.in/tendersonline/index.php
Andrew Yule & Co. Ltd.	http://www.andrewyule.com/tender_display.php
Antrix Corp. Ltd.	http://www.antrix.co.in/tenders
Anushakti Vidhyut Nigam Ltd.	http://www.npcil.nic.in/content/262_1_LiveTenders.aspx
Artificial Limbs Manufacturing Corp. of India	http://www.alimco.in/CurrentTenders.aspx?id=1
Assam Ashok Hotel Corp. Ltd.	https://eprocure.gov.in/cppp/searchbyorg/India%20Tourism%20Development%20Corporation
Ballabgarh-Gn Transmission Co. Ltd.	http://www.pfcclindia.com/tender.php?AM2
Balmer Lawrie &Co. Ltd.	http://www.balmerlawrie.com/pages/tender_local_new
Balmer Lawrie Investments Ltd.	http://www.balmerlawrie.com/pages/tender_local_new
Bel Optronics Devices Ltd.	http://eprocurebel.co.in/nicgep/app
Bel-Thales Systems Ltd.	http://eprocurebel.co.in/nicgep/app
Beml Ltd.	https://www.bemlindia.in/tenders.aspx
Bengal Chemicals & Pharmaceuticals Ltd.	http://apps.bengalchemicals.co.in/tender/
Bharat Broadband Network Ltd.	http://bbnl.nic.in/tenders.aspx?langid=1
Bharat Coking Coal Ltd.	http://www.bcclweb.in/tender-download.php
Bharat Dynamics Ltd.	http://www.bdl-india.in/?q=tendersnew
Bharat Electronics Ltd.	http://eprocurebel.co.in/nicgep/app
Bharat Heavy Electricals Ltd.	http://www.bhel.com/tender/tender_home.php
Bharat Immunologicals & Biologicals Corp. Ltd.	http://bibcol.in/Tenders.html

Public Sector Undertakings	Links
Bharat Petroleum Corp. Ltd.	https://www.bharatpetroleum.com/tenders/tenders.aspx
Bharat Petroresources Jpda Ltd.	http://bharatpetroresources.com/Tenders/Tenders.aspx#TenderDetails
Bharat Petroresources Ltd.	http://bharatpetroresources.com/Tenders/Tenders.aspx#TenderDetails
Bharat Pumps & Compressors Ltd.	http://www.bpcnaini.co.in/Tenders-mod.html
Bharat Sanchar Nigam Ltd.	http://tender.bsnl.co.in/bsnltenders/bsnltender/tender_live_view_main.jsp
Bharat Wagon & Engineering Co. Ltd.	http://bharatwagon.bih.nic.in/tenders.htm
BharatiyaNabhikiyaVidyut Nigam Ltd.	http://www.bhavini.nic.in/Userpages/TendersView.aspx
Bharatiya Rail Bijlee Co. Ltd.	http://www.ntpcindia.com/en/tenders
Bhel Electrical Machines Ltd.	http://www.bheleml.com/Tenders.php
Bihar Megapower Ltd.	http://bspgcl.bihar.gov.in/?page_id=325
Bijawar-Vidarbha Transmission Ltd.	http://www.pfcclindia.com/tender.php?AM2
Biotechnology Industry Research Assistance Council	http://birac.nic.in/news_description.php?id=124
Birds Jute & Exports Ltd.	http://njmc.org.in/tender.php
Bisra Stone Lime Co.Ltd.	http://www.birdgroup.co.in/bslc-current-tenders/
Bpcl-Kial Fuel Pvt.Ltd.	https://www.bharatpetroleum.com/tenders/view-tenders.aspx
Brahmaputra Valley Fertilizer Corp. Ltd.	http://bvfcl.com/tenders/
Braithwaite & Co. Ltd.	http://www.braithwaiteindia.com/tenders.html
Braithwaite, Burn & Jessop Construction Co. Ltd., The	http://www.bbjconst.com/tenders.html
Bridge & Roof Co. (India) Ltd.	https://www.bridgeroof.co.in/tenders
British India Corp. Ltd.,The	http://www.lal-imli.com/tender.htm
Broadcast Engineering Consultants India Ltd.	http://www.becil.com
Bundelkhand Saur Urja Ltd.	http://bsulindia.com/tenders.php
Cement Corp. of India Ltd.	https://www.cciltd.in/page.php?id=2
Central Coalfields Ltd.	http://www.centralcoalfields.in/tender/
Central Electronics Ltd.	http://www.celindia.co.in/drupal7/?q=all-eoi-rfp
Central Inland Water Transport Corp. Ltd.	http://ciwtcltd.com/tender_documents.htm
Central Mine Planning & Design Institute Ltd.	https://www.cmpdi.co.in/tenders.php
Central Railside Warehousing Co. Ltd.	https://www.crwc.in/en/tenders?q=en/tenders
Central Warehousing Corp.	http://cewacor.nic.in/index.php?option=com_content&view=article&id=96&Itemid=169&lang=en
Certification Engineers International Ltd.	http://www.engineersindia.com/tenders/m-91
Chennai Petroleum Corp. Ltd.	https://www.cpcl.co.in/Publicationoftenders

Public Sector Undertakings	Links
Chhattisgarh East Railways Ltd.	http://www.railnews.in/category/rail-psus/chhattisgarh-east-west-railway-ltd-a-subsidiary-of-south-eastern-coal%EF%AC%81elds-ltd-in-jv-with-ircon/
Chhattisgarh East-West Railways Ltd.	http://www.railnews.in/category/rail-psus/chhattisgarh-east-west-railway-ltd-a-subsidiary-of-south-eastern-coal%EF%AC%81elds-ltd-in-jv-with-ircon/
Chhattisgarh Surguja Power Ltd.	http://www.pfcindia.com/Home/VS/35
Coal India Ltd.	https://coalindiatenders.nic.in/nicgep/app
Coastal Karnataka Power Ltd.	http://karnatakapower.com/en/tenders/
Coastal Maharashtra Mega Power Ltd.	http://www.pfcindia.com/Home/VS/35
Coastal Tamil Nadu Power Ltd.	http://www.pfcindia.com/Home/VS/35
Cochin Shipyard Ltd.	https://www.cochinshipyard.com/tender.htm
Concor Air Ltd.	http://www.concorindia.com/Tenders.aspx
Container Corp. of India Ltd.	http://www.concorindia.com/Tenders.aspx
Cotton Corp. of India Ltd.,The	https://cotcorp.org.in/Tender.aspx
Dedicated Freight Corridor Corp. of India Ltd.	http://dfccil.gov.in/dfccil_app/TenNotices.jsp
Delhi Police Housing Corp.Ltd.	http://59.180.234.21:8788/user/viewallrecord.aspx
Deoghar Mega Power Ltd.	http://www.pfcindia.com/Home/VS/35
Donyi Polo Ashok Hotel Ltd.	https://eprocure.gov.in/cppp/searchbyorg/India%20Tourism%20Development%20Corporation%20Ltd.
Dredging Corp. of India Ltd.	http://dredge-india.nic.in/tenders.html
Eastern Coalfields Ltd.	http://tenders.secureloginecl.co.in/
Eastern Investment Ltd.	http://www.birdgroup.co.in/associate-links/
Ecgc Ltd.	https://www.ecgc.in/tenders-called-for/
Edcil (India) Ltd.	http://www.edcilindia.co.in/Etenders
Electronics Corp. of India Ltd.	https://etenders.ecil.co.in/
Engineering Projects (India) Ltd.	https://www.epi.gov.in/content/innerpage/e-tendering.php
Engineers India Ltd.	http://www.engineersindia.com/Index.aspx
Erss Xxi Transmission Ltd.	http://www.rectpcl.in/live-tender.php
FciAravali Gypsum & Minerals India Ltd.	http://fagmil.nic.in/tenders/
Ferro Scrap Nigam Ltd.	http://www.fsnl.co.in/limited-tenders.php
Fertilizer Corp. of India Ltd.,The	http://fertcorpindia.nic.in/Tenders.html
Food Corp. of India	http://fci.gov.in/tender.php
Fresh & Healthy Enterprises Ltd.	http://www.fhel.co.in/tender.html
Gail (India) Ltd.	http://gailonline.com/Tender.html
Gail Gas Ltd.	https://www.gailgas.com/corporate/#/
Garden Reach Shipbuilders & Engineers Ltd.	http://www.grse.in/index.php/tender/2-uncategorised/110-e-tenders
Goa Antibiotics & Pharmaceuticals Ltd.	http://www.gaplgoa.com/mainpage.php?pageid=40

Public Sector Undertakings	Links
Goa Shipyard Ltd.	https://goashipyard.in/tender/open-tender/
Grid Conductor Ltd.	http://apps.powergridindia.com/powergrid/applications/Tenders/01-0001-001.aspx
Handicrafts & Handlooms Exports Corp. of India Ltd.	http://www.hhecworld.com/tender/tender_textile.html
Heavy Engineering Corp. Ltd.	http://hecltd.com/tenders.php
High Speed Rail Corp. of India Ltd.	https://www.nhsrcl.in/active-tenders-nhsrcl
Hindustan Aeronautics Ltd.	https://hal-india.co.in/TENDERS/M__63
Hindustan Antibiotics Ltd.	http://hindantibiotics.in/tenders-advertisement/
Hindustan Cables Ltd.	http://www.hindcables.gov.in/frame_tender.htm
Hindustan Copper Ltd.	http://www.hindustancopper.com/Page/TenderList
Hindustan Fertilizer Corp. Ltd.	http://fert.nic.in/page/tender-and-notice
Hindustan Fluorocarbons Ltd.	http://www.hfl.co.in/tenders
Hindustan Insecticides Ltd.	http://www.hil.gov.in/Tender.aspx
Hindustan Newsprint Ltd.	http://www.hnlonline.com/tenders
Hindustan Organic Chemicals Ltd.	http://hoclkochi.com/php/index.php
Hindustan Paper Corp. Ltd.	http://www.hindpaper.in/hpctender/
Hindustan Petroleum Corp. Ltd.	http://www.hindustanpetroleum.com/TendersAndContracts
Hindustan Prefab Ltd.	http://hindprefab.in/
Hindustan Salts Ltd.	http://www.indiansalt.com/tenders_main.htm
Hindustan Shipyard Ltd.	https://www.hslvizag.in/content/31_1_FreshTenders.aspx
Hindustan Steelworks Construction Co. Ltd.	http://hscl.co.in/tenderlist/
Hll Biotech Ltd.	http://www.hllbiotech.com/tenders
Hll Infra Tech Services Ltd.	http://hllhites.com/tenders
HllLifecare Ltd.	http://www.lifecarehll.com/tender
HllMedipark Ltd.	http://www.lifecarehll.com/tender
HMT (International) Ltd.	http://www.hmti.com/
HMT Bearings Ltd.	http://www.hmtindia.com/html/frame.asp?page=tenders.htm
HMT Chinar Watches Ltd.	http://www.hmtindia.com/html/frame.asp?page=tenders.htm
HMT Ltd.	http://www.hmtindia.com/html/frame.asp?page=tenders.htm
HMT Machine Tools Ltd.	http://www.hmtindia.com/html/frame.asp?page=tenders.htm
HMT Watches Ltd.	http://www.hmtindia.com/html/frame.asp?page=tenders.htm
Hooghly Dock & Port Engineers Ltd.	
Hooghly Printing Co. Ltd.	http://www.andrewyule.com/tender_display.php
Hotel Corp. of India Ltd.	http://centaurhotels.com/?page_id=720

Public Sector Undertakings	Links
Housing & Urban Development Corp. Ltd.	https://www.hudco.org/TenderHome.aspx
Hpcl Biofuels Ltd.	http://www.hpclbiofuels.co.in/tender.php
Hpcl Rajasthan Refinery Ltd.	http://www.hindustanpetroleum.com/TendersAndContracts
Hscc (India) Ltd.	http://www.hsccltd.co.in/index.php?option=com_tender&view=tender&Itemid=61&lang=en
Idpl (Tamil Nadu) Ltd.	http://www.idplindia.in/corporate-office.php
Iifcl Asset Management Co. Ltd.	http://www.iifcl.org/Content/Tender.aspx
Iifcl Projects Ltd.	http://www.iifcl.co.in/Content/CurrentTender.aspx?mid=7&bid=2
India Infrastructure Finance Co. Ltd.	http://www.iifcl.co.in/Content/CurrentTender.aspx?mid=7&bid=2
India Post Payment Bank Ltd.	https://ippbonline.com/web/ippb/tenders1
India Tourism Development Corp. Ltd.	https://eprocure.gov.in/cppp/searchbyorg/India%20Tourism%20Development%20Corporation%20Ltd
India Trade Promotion Organisation	http://indiatradefair.com/tenders/listing
Indian Catalyst Pvt. Ltd.	https://iocletenders.nic.in/nicgep/app
Indian Drugs & Pharmaceuticals Ltd.	http://www.idplindia.in/corporate-office.php
Indian Medicines Pharmaceutical Corp. Ltd.	https://www.thetenders.com/All-India-Tenders/Agency/Tenders-of-Indian-Medicines-Pharmaceutical-Corporation-Limited/11309/All-Tenders/1
Indian Oil Corp.Ltd.	https://iocletenders.nic.in/nicgep/app
Indian Oil-Creda Biofuels Ltd.	https://iocletenders.nic.in/nicgep/app
Indian Railway Catering & Tourism Corp. Ltd.	http://www.irctc.com/tenders_En.jsp
Indian Railway Finance Corp. Ltd.	http://irfc.nic.in/ActiveTenders.php
Indian Railway Stations Development Corp. Ltd.	http://irsdc.in/tenders
Indian Rare Earths Ltd.	http://irel.co.in/content/1455_1_Tenders.aspx
Indian Renewable Energy Development Agency Ltd.	http://ireda.in/Forms/contentpage.aspx?LID=1437&mid=-1
Instrumentation Ltd.	http://ilpgt.com/html/tender.php
Ircon Infrastructure & Services Ltd.	http://www.irconisl.com/en/tender/active.html
Ircon International Ltd.	http://www.irconisl.com/en/tender/active.html
IrconPb Tollway Ltd.	http://www.irconisl.com/en/tender/active.html
Ircon Shivpuri Guna Tollway Ltd.	http://www.irconisl.com/en/tender/active.html
ITI Ltd.	http://www.itiltd-india.com/ITI/Tender-EoI
J&K Mineral Development Corp.	http://www.jkspdc.nic.in/tender_landing.htm
Jammu & Kashmir Development Finance Corp. Ltd	http://www.jkdfc.org/pdf/171113-tender.pdf
Jharkhand National Mineral Development Corp. Ltd.	http://www.jsmdc.in/web/Tenders.php

Public Sector Undertakings	Links
Jute Corp.Of India Ltd., The	http://www.jci.gov.in:8080/jci/jci_tenders.html
Kamarajar Port Ltd.	http://www.ennoreport.gov.in/content/innerpage/tenders-details.php
Kanti Bijlee Utpadan Nigam Ltd.	https://www.kbunl.co.in/tender.php
Karnataka Antibiotics & Pharmaceuticals Ltd.	http://www.kaplindia.com/asp/0100text.asp?pageId=45&headId=45
Karnataka Trade Promotion Organization	https://eproc.karnataka.gov.in/eprocportal/pages/index.jsp
Karnataka Vijaynagar Steel Ltd.	https://eproc.karnataka.gov.in/eprocportal/pages/index.jsp
Kiocl Ltd.	https://www.kioclltd.in/user/tenders/69
Kolkata Metro Rail Corp. Ltd.	http://www.kmrc.in/tenders.php
Konkan Railway Corp. Ltd.	http://konkanrailway.com/
Loktak Downstream Hyroelectric Corp.	http://ldhcl.nic.in/?page_id=803
Madhya Pradesh Ashok Hotel Corp. Ltd.	https://eprocure.gov.in/cppp/searchbyorg/India%20Tourism%20Developme
Madras Fertilizers Ltd.	https://eprocure.gov.in/eprocure/app
Mahanadi Coalfields Ltd.	https://coalindiatenders.nic.in/nicgep/app
Mahanagar Telephone Nigam Ltd.	http://www.mtnl.net.in/tender.htm
Mangalore Refinery & Petrochemicals Ltd.	https://www.mrpl.co.in/
Mazagon Dock Shipbuilders Ltd.	http://mazagondock.in/STACSFormat.aspx
Mecon Ltd.	http://www.meconlimited.co.in/active_tender.aspx
Millennium Telecom Ltd.	http://www.mtnl.net.in/tender.htm
Mineral Exploration Corp. Ltd.	http://www.mecl.gov.in/Tenders.aspx
Mishra Dhatu Nigam Ltd.	http://midhani-india.in/tender.jsp
MJSJ Coal Ltd.	https://coalindiatenders.nic.in/nicgep/app
MMTC Ltd.	http://mmtclimited.com/tenders
MNH Shakti Ltd.	https://coalindiatenders.nic.in/nicgep/app
MOIL Ltd.	http://moil.nic.in/Tenders.aspx?PageMasterID=24&AntiSpam1=yfRdv9EuSiE
MSTC Ltd.	https://www.mstcindia.co.in/contenthindi/eauction_serviceshindi.aspx?l=hi
Mumbai Railway Vikas Corp. Ltd.	http://www.mrvc.indianrailways.gov.in/Tender_cpp.jsp?lang=0&id=0,299
Nagaland Pulp & Paper Co. Ltd.	http://www.hindpaper.in/hpctender/
Naini Aerospace Ltd.	https://nael.co.in/
National Aluminium Co. Ltd.	http://livetenders.nalcoindia.com/dashBoard.aspx?Glnk=dshbrd
National Backward Classes Finance & Development Corp.	http://nbcfdc.gov.in/nbcfdc-tenders.php
National Fertilizers Ltd.	https://nfl.etenders.in/

Public Sector Undertakings	Links
National Handicapped Finance & Development Corp.	http://www.nhfdc.nic.in/tender
National Handloom Development Corp. Ltd.	https://www.nhdc.org.in/Tenders.aspx
National Highways & Infrastructure Development Corp. Ltd.	https://nhidcl.com/current-tenders/
National Informatics Centre Services Inc.	http://www.nicsi.com/tenders
National Jute Manufacturers Corp. Ltd.	http://njmc.org.in/tender.php
National Minorities Development & Finance Corp.	http://www.nmdfc.org/tenders.aspx?langid=1
National Projects Construction Corp. Ltd.	http://npcc.gov.in/TenderNotice.aspx
National Research Development Corp.	http://www.nrdcindia.com/
National SafaiKaramcharis Finance & Development Corp.	https://nskfdc.nic.in/en/content/home/notice-tenders-0
National Scheduled Castes Finance & Development Corp.	http://nsfdc.nic.in/tenders/listing
National Scheduled Tribes Finance & Development Corp.	http://nstfdc.in/notices/artdisc.php?acid=2
National Seeds Corp. Ltd.	http://www.indiaseeds.com/current-tender.html
National Small Industries Corp. Ltd.	http://www.nsic.co.in/tender/Current-Tenders.aspx
National Textile Corp. Ltd.	http://www.ntcltd.org/Tender.aspx
NBCC (India) Ltd.	http://www.nbccindia.com/
NBCC Engineering & Consultancy Ltd.	http://www.nbccindia.com/
NBCC Services Ltd.	http://www.nbccindia.com/
NEPA Ltd.	https://eprocure.gov.in/cppp/
Neyveli Uttar Pradesh Power Ltd.	https://www.nlcindia.com/new_website/index.htm
NHDC Ltd.	http://nhdcindia.com/Site/frmViewTender.aspx
NHPC Ltd.	http://www.nhpcindia.com/Default.aspx?id=289&lg=eng&
Nlc India Ltd.	https://www.nlcindia.com/new_website/TENDERS.htm
Nlc Tamil Nadu Power Ltd.	https://www.nlcindia.com/index.php?file_name=tender
NMDC Ltd.	https://www.nmdc.co.in/nmdctender/
NMDC Power Ltd.	https://www.nmdc.co.in/nmdctender/
NMDC Steel Ltd.	https://www.nmdc.co.in/nmdctender/
NMDC-CMDC Ltd.	https://www.nmdc.co.in/nmdctender/
North Eastern Electric Power Corp. Ltd.	http://neepco.co.in/tender

Public Sector Undertakings	Links
North Eastern Handicrafts & Handloom Development Corp. Ltd.	https://nehhdc.com/events.html
North Eastern Regional Agricultural Marketing Corp. Ltd.	https://neramac.com/showpage.asp?id=112
Northern Coalfields Ltd.	http://nclcil.in/HI/page.php?pid=15
Npcil - Indian Oil Nuclear Energy Corp. Ltd.	http://www.npcil.nic.in/content/262_1_LiveTenders.aspx
Npcil - Nalco Power Co. Ltd.	http://www.npcil.nic.in/content/262_1_LiveTenders.aspx
NTPC Electric Supply Co. Ltd.	http://www.ntpcindia.com/en/tenders
NTPC Ltd.	http://www.ntpcindia.com/en/tenders
NTPC Vidyut Vyapar Nigam Ltd.	http://www.ntpcindia.com/en/tenders
Nuclear Power Corp. of India Ltd.	http://www.npcil.nic.in/content/262_1_LiveTenders.aspx
Numaligarh Refinery Ltd.	http://www.nrl.co.in/Internal_Tender.aspx?PageID=1
Oil & Natural Gas Corp. Ltd.	https://tenders.ongc.co.in/
Oil India International Ltd.	https://www.oil-india.com/
Oil India Ltd.	https://www.oil-india.com/
ONGC Mangalore Petrochemicals Ltd.	https://ompl.co.in/tenders
ONGCVidesh Ltd.	http://www.ongcvidesh.com/tenders/
Orissa Drugs & Chemicals Ltd.	http://www.idplindia.in/corporate-office.php
Orissa Integrated Power Ltd.	http://www.pfcindia.com/Home/VS/35
Orissa Mineral Development Co. Ltd.	http://www.orissaminerals.gov.in/website/Tender.aspx?GL=tender
PatratuVidyutUtpadan Nigam Ltd.	https://www.ntpc.co.in/en/tenders
Pawan Hans Ltd.	http://www.pawanhans.co.in/e_tender.aspx
PEC Ltd.	http://www.peclimited.com/Current_Tenders_New.aspx
PetronetCck Ltd.	http://petronetcck.com/?page_id=20
PFC Capital Advisory Service Ltd.	http://www.pfcindia.com/Home/VS/35
Pondicherry Ashok Hotel Corp.Ltd.	https://eprocure.gov.in/cppp/searchbyorg/India%20Tourism%20Development%20Corporation%20Ltd.
Power Equity Capital Advisors Pvt.Ltd.	http://www.pfcindia.com/Home/VS/35
Power Finance Corp.Ltd.	http://www.pfcindia.com/Home/VS/35
Power Grid Corp.Of India Ltd.	http://apps.powergridindia.com/powergrid/applications/Tenders/01-0001-001.aspx
Power Grid Jabalpur Transmission Ltd.	https://www.powergridindia.com/search/node/tender
Power Grid Nm Transmission Ltd.	http://apps.powergridindia.com/powergrid/applications/Tenders/01-0001-001.aspx
Power Grid Parli Transmission Ltd.	http://apps.powergridindia.com/powergrid/applications/Tenders/01-0001-001.aspx
Power Grid Unchahar Transmission Ltd.	http://apps.powergridindia.com/powergrid/applications/Tenders/01-0001-001.aspx
Power Grid Vemagiri Transmission Ltd.	http://apps.powergridindia.com/powergrid/applications/Tenders/01-0001-001.aspx

Public Sector Undertakings	Links
Power Grid Vizag Transmission Ltd.	http://apps.powergridindia.com/powergrid/applications/Tenders/01-0001-001.aspx
Power Grid Warora Transmission Ltd.	http://apps.powergridindia.com/powergrid/applications/Tenders/01-0001-001.aspx
Power System Operation Corp.Ltd.	https://posoco.in/side-menu-pages/tenders/
Powergrid Kala Amb Transmission Ltd.	http://apps.powergridindia.com/powergrid/applications/Tenders/01-0001-001.aspx
Powergrid Southern Interconnector Transmission System Ltd.	http://apps.powergridindia.com/powergrid/applications/Tenders/01-0001-001.aspx
Prize Petroleum Co.Ltd.	http://prizepetroleum.com/
Projects & Development India Ltd.	http://www.pdilin.com/tenders1.php
Punjab Ashok Hotel Co.Ltd.	https://eprocure.gov.in/cppp/searchbyorg/India%20Tourism%20Development%20Corporation%20Ltd.
Punjab Logistic Infrastructure Ltd.	http://www.plil.co.in/tenders.html
Rail Vikas Nigam Ltd.	http://www.rvnl.org/tender/view_tender.php
RailtelCorp. Of India Ltd.	https://www.railtelindia.com/tenders/active-tenders.html
Railtel Enterprises Ltd.	https://www.railtelindia.com/tenders/active-tenders.html
Rajasthan Drugs & Pharmaceuticals Ltd.	https://www.rdpl-india.in/current_tenders.php
Rajasthan Electronics & Instruments Ltd.	http://reiljp.com/tender.html
Ranchi Ashok Bihar Hotel Corp.Ltd.	https://eprocure.gov.in/cppp/searchbyorg/India%20Tourism%20Development%20Corporation%20Ltd.
Rashtriya Chemicals & Fertilizers Ltd.	http://www.rcfltd.com/index.php/en/tenders/trombay-tenders
Rec Power Distribution Co.Ltd.	http://www.recpdcl.in/index.php?option=com_content&view=article&id=51&Itemid=69
Rec Transmission Projects Co.Ltd.	http://www.recpdcl.in/index.php?option=com_content&view=article&id=51&Itemid=69
Rites Infrastructure Services Ltd.	https://ritesltd.com/index.php?page=page&id=7&name=Tenders&mid=7
Rites Ltd.	https://ritesltd.com/index.php?page=page&id=7&name=Tenders&mid=7
Rural Electrification Corp.Ltd.	https://www.recindia.nic.in/tender_list.php
Sail Refractory Co.Ltd.	https://sailtenders.co.in/
Sambhar Salts Ltd.	http://www.indiansalt.com/tenders_main.htm
Scooters India Ltd.	http://www.scootersindia.com/tender.html
Security Printing & Minting Corp. India Ltd.	http://www.spmcil.com/SPMCIL/Interface/Tenders.aspx?lnkCorr=gAYr282mX/o=&ExpiryStage=gAYr282mX/o=&SelU=gAYr282mX/o=&Header=MF1tO6o7CiU=
Sjvn Ltd.	http://sjvn.nic.in/tender.htm
Sjvn Thermal Pvt.Ltd.	http://sjvn.nic.in/tender.htm
Solar Energy Corp.Of India	http://seci.co.in/tenders.php
South Central East Delhi Power Transmission Ltd.	http://www.pfcindia.com/Home/VS/35
South Eastern Coalfields Ltd.	
State Trading Corp.Of India Ltd.,The	http://www.stclimited.co.in/content/current-tenders

Public Sector Undertakings	Links
Stcl Ltd.	http://www.stclimited.co.in/content/current-tenders
Steel Authority Of India Ltd.	https://sailtenders.co.in/
Tamil Nadu Trade Promotion Organization	http://www.chennaitradecentre.org/tenders.html
Tanda Transmission Co.Ltd.	http://www.pfcindia.com/Home/VS/35
Tatiya Andhra Mega Power Ltd.	http://www.pfcindia.com/Home/VS/35
Tcil Bina Toll Road Ltd.	https://www.tcil-india.com/tender/pdf/18C446_1.pdf
TcilLakhnadone Toll Road Ltd.	https://www.tcil-india.com/tender/pdf/18C446_1.pdf
Telecommunications Consultants India Ltd.	https://www.tcil-india.com/nit.php
THDC India Ltd.	http://www.thdc.co.in/notices
Tungabhadra Steel Products Ltd.	http://www.tsptbdam.kar.nic.in/tenders.htm
Uranium Corp.Of India Ltd.	http://www.ucil.gov.in/nit47.html
Utkal Ashok Hotel Corp.Ltd.	https://eprocure.gov.in/cppp/searchbyorg/India%20Tourism%20Development%20Corporation%20Ltd.
Wapcos Ltd.	http://www.wapcos.gov.in/current-tender-list.aspx
Western Coalfields Ltd.	https://eprocure.gov.in/cppp/tendersearch
Wr-Nr Power Transmission Ltd.	http://www.rectpcl.in/live-tender.php
Yule Electrical Ltd.	http://www.andrewyule.com/tender_display.php

Annexure 5
Public Sector Banks

Banks	Website
Allahabad Bank	https://www.allahabadbank.in/
Andhra Bank	https://www.andhrabank.in/english/TendersPage.aspx
Bank of Baroda	https://www.bankofbaroda.com/tender.htm
Bank of India	https://www.bankofindia.co.in/Dynamic/Tender?Type=2
Bank of Maharashtra	https://www.bankofmaharashtra.in/tendors.asp
Canara Bank	http://www.canarabank.com/english/announcements/tenders/
Central Bank of India	https://www.centralbankofindia.co.in/English/TendersPage.aspx
Corporation Bank	https://corpbank.com/tenders
Dena Bank	https://www.denabank.com/viewsection.jsp?lang=0&id=0,47
Indian Bank	https://www.indianbank.net.in/jsp/startIBPreview.jsp
Indian Overseas Bank	https://www.iob.in/tenderlist.aspx
IDBI Bank	https://www.idbi.com/notices.asp
Oriental Bank of Commerce	https://www.obcindia.co.in/content/tenders
Punjab and Sind Bank	https://www.psbindia.com/module/tender-list
Punjab National Bank	https://www.pnbindia.in/Tender.aspx
State Bank of India	https://www.sbi.co.in/portal/web/home/procurement-news
Syndicate Bank	https://www.syndicatebank.in/english/Tenders.aspx
UCO Bank	https://www.ucobank.com/english/tenders.aspx
Union Bank of India	https://www.unionbankofindia.co.in/english/Tender.aspx
United Bank of India	https://www.unitedbankofindia.com/english/tenderspage.aspx
Vijaya Bank	https://www.vijayabank.com/Tender/Open-Tenders

Annexure 6
Private Sector Banks

Banks	Website
AXIS Bank Ltd.	http://www.axisbank.com
Bandhan Bank Limited	http://www.bandhanbank.com
City Union Bank Ltd.	http://www.cityunionbank.com
Coastal Local Area Bank Ltd.	http://www.coastalareabank.com
DCB Bank Ltd.	http://www.dcbbank.com
Dhanlaxmi Bank Ltd.	http://www.dhanbank.com
Fincare Small Finance Bank Limited	http://www.fincarebank.com
ICICI Bank Limited	http://www.icicibank.com
IDFC Bank Limited	http://www.idfcbank.com
IndusInd Bank Limited	http://www.indusind.com
Karnataka Bank Ltd.	http://www.ktkbank.com
Kotak Mahindra Bank Limited	http://www.kotak.com
Krishna Bhima Samruddhi Local Area Bank Ltd	http://www.kbsbankindia.com
RBL Bank Ltd	http://www.rblbank.com
Subhadra Local Area Bank Ltd	http://www.subhadrabank.com
Tamilnad Mercantile Bank Ltd.	http://www.tmb.in
The Catholic Syrian Bank Ltd	http://www.csb.co.in
The Federal Bank Ltd.	http://www.federalbank.co.in
The HDFC Bank Ltd.	http://www.hdfcbank.com
The Jammu & Kashmir Bank Ltd.	http://www.jkbank.net
The Karur Vysya Bank Ltd.	http://www.kvb.co.in
The Lakshmi Vilas Bank Ltd.	http://www.lvbank.com
The Nainital Bank Ltd.	http://www.nainitalbank.co.in
The South Indian Bank Ltd.	http://www.southindianbank.com
Yes Bank Limited	http://www.yesbank.in

Annexure 7
Important Links Related to Trade Measures

Particulars	Links
Govt. of India Directory	http://goidirectory.nic.in/
Ministry of Finance	http://finmin.nic.in/
Central Board of Excise & Customs	http://www.cbec.gov.in/
Ministry of Commerce	http://www.cbec.gov.in/
Directorate General of Anti-Dumping	http://www.dgtr.gov.in/
Ministry of External Affairs Government of India Directorate General of CIS	https://www.mea.gov.in/
Federation of Indian Chambers of Commerce & Industry (FICCI)	http://ficci.in/
The Associated Chambers of Commerce & Industry (ASOCHAM)	http://www.assocham.org/
World Trade Organisation	http://www.wto.org/
Safeguard Measures – World Trade Organisation	www.wto.org/english/tratop_e/safeg_e/safeg_e.html
United Nations	http://www.un.org/
Centre for Trade Development	https://www.ictsd.org/
The World Bank	http://www.worldbank.org/
Asian Development Bank	http://www.adb.org

Related Websites of Authorities and Organisation International and National relevant for foreign Trade

Particulars	Links
Directorate General of Foreign Trade-Ministry of Commerce	http://dgft.delhi.nic.in/
Govt. of India Directory	http://goidirectory.nic.in/
Ministry of Finance	http://finmin.nic.in/
Central Board of Excise & Customs	http://www.cbec.gov.in/
Federation of Indian Export Organisations (FIEO)	www.fieo.org
Reserve Bank of India (RBI)	http://www.rbi.org.in/
Indian Missions & Posts, Ministry of External Affairs Government of India	https://mea.gov.in/index.htm
Ministry of External Affairs, Government of India	http://meaindia.nic.in/

Particulars	Links
Ministry of Textiles, Govt. of India - Office of the Textile Commissioner, Mumbai	www.txcindia.com/
Federation of Indian Chambers of Commerce & Industry (FICCI)	http://ficci.in/
The Associated Chambers of Commerce & Industry (ASOCHAM)	www.assocham.org/
World Trade Organisation	http://www.wto.org/
Safeguard Measures – World Trade Organisation	https://www.wto.org/
Centre for Trade Development	https://www.ictsd.org/
The Cotton Textiles Export Promotion Council of India [TEXPROCIL]	www.texprocil.com/
World Customs Organisation	http://www.wcoomd.org/
World Bank, Washington, US	http://www.worldbank.com/
Asia Trade Forum of the Irish Exporters Association	www.irishexporters.ie/asia
Australia India Chamber of Commerce	www.aicc.com.au/
China Council for the Promotion of International Trade	http://en.ccpit.org/info/index.html
Chinese Manufacturers' Association	www.cma.org.hk/
Indian Business Chamber in Vietnam	http://www.incham.vn/
Kuala Lumpur and Selangor Indian Chamber of Commerce and Industry	www.klsicci.com.my/
Korea International Trade Association (KITA)	www.kita.org/

Annexure 8
Important Links Related to Intellectual Property Rights

Patents Office	http://www.ipindia.nic.in/patents.htm
Copy Right Authority under the Ministry of Human Resource and Development	http://copyright.gov.in/
Trade Mark registry	http://ipindia.nic.in/trade-marks.htm
Designs registration office	http://www.ipindia.nic.in/designs.htm
Information on Geographical Indicators	https://www.wipo.int/geo_indications/en/
The Convention on Biological Diversity	https://www.cbd.int/
India's Clearing-House Mechanism site	http://envfor.nic.in/envis/envis.html
Ministry of Environment & Forests	http://envfor.nic.in/
Information on protection of plant varieties and farmers rights	http://www.plantauthority.in/
Websites related to Competition	
The International Competition Network	www.internationalcompetitionnetwork.org/
Competition Commission of India	www.competitioncommission.gov.in/ https://www.cci.gov.in/

Annexure 9
Important Links Related to International Organizations

Asia-Pacific Economic Cooperation (APEC)	https://www.apec.org/
Business and Industry Advisory Committee for the OECD (BIAC)	http://www.biac.org/
Economic Commission for Latin America and the Caribbean (ELAC)	https://www.cepal.org/en
Free Trade Area of Americas (FTAA)- Competition Policy	http://www.ftaa-alca.org/ngroups/ngcomp_e.asp
International Chamber of Commerce	http://www.iccwbo.org/
International Trade Centre UNCTAD/WTO	http :// www.intracen.org/
The International Trade Forum-The Magazine of the International Trade Centre	http://www.tradeforum.org/
International Monetary Fund (IMF)	http://www.imf.org/
North Atlantic Treaty Organisation (NATO)	http://www.nato.int/
OECD. Organisation For Economic Co-operation and Development, Competition Law and Policy	www.oecd.org/daf/clp
Organisation of American States (OAS) Trade Unit	www.oas.org/
United Nation Conference on Trade and Development (UNCTAD)	http://www.unctad.org/competition
United Nations Commission on International Trade Law (UNCITRAL)	http://www.uncitral.org/
United Nations Economic and Social Development	https://www.un.org/development/desa/en/
United Nations Industrial Development Organization (UNIDO)	http://www.unido.org/
Western European Union (WEU)	http://www.weu.int/
World Trade Organization (WTO)	http://www.wto.org/
World Intellectual Property Organisation	https://www.wipo.int/portal/en/index.html

Annexure 10
Global Accounting Bodies

Country Name	Name of the Accounting Body	Website Address
Albania	Albanian Institute of Authorized Chartered Accountants	
Argentina	Federacion Argentina de Consejos Profesionales de Ciencias Economicas	www.facpce.org.ar
Armenia	Association of Accountants and Auditors in Armenia	www.aaaa.am
Australia	CPA Australia The Institute of Chartered Accountants in Australia National Institute of Accountants in Australia	www.cpaonline.com.au
Austria	Institut Osterreichischer Wirtschaftsprufer Kammer der Wirtschaftstreuhander	www.kwt.or.at/iwp/frame.html www.kwt.or.at/ www.kwt.or.at/index.html
Azerbaijan Republic	The Chamber of Auditors of Azerbaijan Republic	www.audit.gov.az
Bahamas	The Bahamas Institute of Chartered Accountants	www.bica.bs
Bahrain	Bahrain Accountants Associations Accounting and Auditing Organization for Islamic Financial Institutions	
Bangladesh	The Institute of Chartered Accountants of Bangladesh. The Institute of Cost and Management Accountants of Bangladesh	www.icmab.org.bd
Barbados	The Institute of Chartered Accountants of Barbados	www.icab.bb
Belgium	Institut des Experts Comptables Institut des Reviseurs d'Entreprises	www.ibr-ire.be
Bolivia	Colegio de Auditores de Bolivia	
Bosnia and Herzegovina	Association of Accountants and Auditors of Republika Srpska	
Botswana	Botswana Institute of Accountants	www.bia.org.bw
Brazil	Instituto Brasileiro de Contadores Conselho Federal de Contabilidade	www.cfc.org.br
Bulgaria	Institute of Certified Public Accountants of Bulgaria	
Cameroon	The Institute of Chartered Accountants of Cameroon	
Canada	CMA Canada The Canadian Institute of Chartered Accountants Certified General Accountants' Association of Canada	www.cma-canada.org www.cica.ca www.cga-canada.org/
Chile	Colegio de Contadores de Chile	https://www.contach.cl/
China	The Chinese Institute of Certified Public Accountants	www.cicpa.org.cn

Country Name	Name of the Accounting Body	Website Address
Chinese Taiwan	Federation of CPA Associations of Chinese Taiwan	https://www.ifac.org/about-ifac/membership/members/federation-cpa-associations-chinese-taiwan
Colombia	Instituto Nacional de Contadores Publicos de Colombia	www.incp.org.co
Costa Rica	Colegio de Contadores Publicos de Costa Rica	www.ccpa.or.cr
Croatia	Croatian Association of Accountants and Financial Experts	www.rif.hr
Cyprus	The Institute of Certified Public Accountants of Cyprus	www.icpac.org.cy
Czech Republic	Chamber of Auditors of the Czech Republic Union of Accountants of the Czech Republic	www.kacr.cz www.svaz-ucetnich.cz
Denmark	Foreningen af Statsautoriserede Revisorer Foreningen Registrerede Revisorer FRR	www.frr.dk
Dominican Republic	Instituto de Contadores Publicos Autorizados de la Republica Dominicana	https://www.icpard.org/
Ecuador	Federacion Nacional de Contadores del Ecuador	http://fnce.azurewebsites.net/
Egypt	The Egyptian Society of Accountants & Auditors	https://www.ifac.org/about-ifac/membership/members/egyptian-society-accountants-auditors
EL Salvador	Corporacioacute;n de Contadores de El Salvador Instituto Salvadoreno de Contadores Publicos	https://www.ifac.org/about-ifac/membership/members/instituto-salvadore-o-de-contadores-p-blicos
Estonia	Audiitorkogu (Estonian Auditing Board)	www.audiitorkogu.ee
Federation of Republics of Serbia and Montenegro	Serbian Association of Accountants and Auditors Institute of Accountants and Auditors of Montenegro Society of Certified Accountants and Auditors of Kosovo (SCAAK)	https://www.ifac.org/about-ifac/membership/members/institute-accountants-and-auditors-montenegro
Fiji	Fiji Institute of Accountants	
Finland	KHT-yhdistys-Foreningen CGR ry HTM-tilintarkastajat ry	
France	Compagnie Nationale des Commissaires aux Comptes Ordre des Experts Comptables Federation Internationale des Experts Comptables Francophones	www.cncc.fr www.fidef.org
Georgia	Georgian Federation of Professional Accountants and Auditors	https://www.ifac.org/about-ifac/membership/members/georgian-federation-professional-accountants-and-auditors
Germany	Institut der Wirtschaftsprufer in Deutschland e.V. Wirtschaftspruferkammer	www.idw.de
Ghana	The Institute of Chartered Accountants (Ghana)	https://icagh.com/newsite/
Greece	Association of Certified Accountants and Auditors of Greece (SELE) Institute of Certified Public Accountants of Greece (SOEL)	www.soel.gr
Guatemala	Instituto Guatemalteco de Contadores Publicos y Auditores	https://igcpa.org.gt/
Guyana	The Institute of Chartered Accountants of Guyana	https://www.icag.org.gy/
Haiti	Ordre des Comptables Professionels Agrees d'Haiti	http://www.ocpah.ht/
Honduras	Colegio de Peritos Mercantiles y Contadores Publicos	
Hong Kong	Hong Kong Society of Accountants	www.hksa.org.hk
Hungary	Chamber of Hungarian Auditors Chamber of Hungarian Auditors	www.mkvk.hu
Iceland	Felag loggiltra Endurskooenda	www.fle.is

Country Name	Name of the Accounting Body	Website Address
India	The Institute of Chartered Accountants of India The Institute of Cost Accountants of India	www.icai.org www.icwai.org
Indonesia	Indonesian Institute of Accountants	
Iran	The Iranian Institute of Certified Accountants Iranian Association of Certified Public Accountants	www.iacpa.ir
Iraq	Iraqi Union of Accountants and Auditors	
Ireland	The Institute of Certified Public Accountants in Ireland The Institute of Chartered Accountants in Ireland The Institute of Accounting Technicians in Ireland	www.cpaireland.ie www.iati.ie/
Israel	Institute of Certified Public Accountants in Israel	
Italy	Consiglio Nazionale del Dottori Commercialisti Consiglio Nazionale del Ragionieri e Periti Commerciali	www.cndc.it
Ivory Coast	Ordre des Experts Comptables et Comptables Agrees de Cote d'Ivoire	https://www.ifac.org/about-ifac/membership/members/ordre-des-experts-comptables-de-c-te-d-ivoire
Jamaica	The Institute of Chartered Accountants of Jamaica	
Japan	The Japanese Institute of Certified Public Accountants	www.jicpa.or.jp
Jordan	Jordanian Association of Certified Public Accountants Arab Society of Certified Accountants	
Kazakhstan	Chamber of Auditors of the Republic Kazakhstan	www.audit.freenet.kz
Kenya	Institute of Certified Public Accountants of Kenya	www.icpak.com
Korea	Korean Institute of Certified Public Accountants	www.kicpa.or.kr
Kuwait	Kuwait Association of Accountants and Auditors	https://www.ifac.org/about-ifac/membership/members/kuwait-association-accountants-and-auditors
Kyrgyzstan	Union of Accountants and Auditors of Kyrgyzstan	www.oba.kg
Latvia	Latvian Association of Certified Auditors	https://eng.lzra.lv/
Lebanon	Middle East Society of Associated Accountants Lebanese Association of Certified Public Accountants	
Lesotho	Lesotho Institute of Accountants	http://www.lia.org.ls/
Liberia	The Liberian Institute of Certified Public Accountants	
Libya	Libyan Certified and Public Accountants Union	
Luxembourg	Institut des Reviseurs d'Entreprises	www.ire.lu
Macedonia	Association of Accountants, Financial Experts and Auditors of the Republic of Macedonia	
Madagascar	Ordre des Experts Comptables et Financiers et des Comptables Agrees de Madagascar	https://www.ifac.org/about-ifac/membership/members/ordre-des-experts-comptables-et-financiers-de-madagascar https://www.ifac.org/about-ifac/membership/members/ordre-des-experts-comptables-et-financiers-de-madagascar
Malawi	The Society of Accountants in Malawi	https://www.ifac.org/about-ifac/membership/members/institute-chartered-accountants-malawi
Malaysia	Malaysian Institute of Accountants The Malaysian Association of Certified Public Accountants	www.mia.org.my https://www.micpa.com.my/
Malta	The Malta Institute of Accountants	www.miamalta.org
Mexico	Instituto Mexicano de Contadores Publicos, A.C.	www.imcp.org.mx
Moldova	Association of Professional Accountants and Auditors of the Republic of Moldova	www.acap.ngo.moldnet.md https://www.ifac.org/about-ifac/membership/members/association-professional-accountants-and-auditors-republic-moldova

Country Name	Name of the Accounting Body	Website Address
Mongolia	Mongolian Institute of Certified Public Accountants (MonICPA)	https://www.fmv.lu/en/section/10/120/chartered-accountant-in-luxembourg
Morocco	Ordre des Experts Comptables du Royaume du Maroc (Morocco) (Certified Public Accountants Association)	https://www.oecmaroc.com
Namibia	The Institute of Chartered Accountants of Namibia	https://www.icancpd.net/
Nepal	The Institute of Chartered Accountants of Nepal	www.ican.org.np
Netherlands	Koninklijk Nederlands Instituut van Registeraccountants	www.nivra.nl
New Zealand	New Zealand	
Nicaragua	Colegio de Contadores Publicos de Nicaragua	www.ccpn.org.ni
Nigeria	The Institute of Chartered Accountants of Nigeria	www.ican-ngr.org
Norway	Den norske Revisorforening (DnR)	www.revisornett.no
Pakistan	Institute of Cost and Management Accountants of Pakistan The Institute of Chartered Accountants of Pakistan Pakistan Institute of Public Finance Accountants	www.icmap.com.pk www.icap.org.pk
Panama	Colegio de Contadores Publicos Autorizados de Panama Asociacion de Mujeres Contadoras de Panama	https://www.colegiocpapanama.org/ http://amucopa.org/
Paraguay	Colegio de Contadores de Paraguay	www.ccpy.org.py
Peru	Federacion de Colegios de Contadores Publicos del Peru	
Philippines	Philippine Institute of Certified Public Accountants	www.picpa.com.ph
Poland	National Board of Chartered Accountants Association in Poland National Chamber of Statutory Auditors	www.skwp.org.pl
Portugal	Camara dos Revisores Oficiais de Contas	www.oroc.pt
Romania	Corpul Expertilor Contabili si Contabililor Autorizati din Romania The Chamber of Financial Auditors of Romania	http://ceccar.ro/ro/ www.cafr.ro
Russia	The Institute of Professional Accountants of Russia Russian Collegium of Auditors	https://www.ipbr.org/ https://www.ipbr.org/
Saudi Arabia	Saudi Organization for Certified Public Accountants	http://www.altala.com.sa/
Sierra Leone	The Institute of Chartered Accountants of Sierra Leone	http://ica-sl.org.hyssop.arvixe.com/
Singapore	Institute of Singapore Chartered Accountants	www.accountants.org.sg
Slovakia	Slovenska Komora Auditorov	https://www.skau.sk/
Slovenia	The Slovenian Institute of Auditors	www.si-revizija.si
South Africa	The South African Institute of Chartered Accountants The South African Institute of Professional Accountants	www.saica.co.za www.cfa-sa.co.za
Spain	Instituto de Auditores-Censores Jurados de Cuentas de Espana	www.iacjce.es
Sri Lanka	The Institute of Chartered Accountants of Sri lanka Association of Accounting Technicians of Sri Lanka	www.icasrilanka.com

Country Name	Name of the Accounting Body	Website Address
Swaziland	Swaziland Institute of Accountants	https://www.ifac.org/about-ifac/membership/country/swaziland
Sweden	Foreningen Auktoriserade Revisorer Svenska Revisorsamfundet SRS	www.far.se https://www.ne.se/uppslagsverk/encyklopedi/l%C3%A5ng/svenska-revisorsamfundet-srs
Switzerland	Treuhand-Kammer -Swiss Institute of Certified Accountantsand Tax Consultants	www.treuhand-kammer.ch
Syria	Association of Syrian Certified Accountants	
Tanzania	Tanzania Association of Accountants National Board of Accountants and Auditors (NBAA) Tanzania	www.nbaa-tz.org/
Thailand	The Institute of Certified Accountants and Auditors of Thailand	
Trinidad and Tobago	The Institute of Chartered Accountants of Trinidad & Tobago	icatt.org
Tunisia	Ordre des Experts Comptables de Tunisie	www.oect.org.tn
Turkey	Expert Accountants' Association of Turkey Union of Chambers of Certified Public Accountants of Turkey	www.tmud.org.tr https://www.ifac.org/about-ifac/membership/members/union-chambers-certified-public-accountants-turkey
Ukraine	Ukrainian Federation of Professional Accountants and Auditors	ufpaa.org
Uganda	Institute of Certified Public Accountants of Uganda	
United Kingdom	The Chartered Institute of Management Accountants The Institute of Chartered Accountants in England & Wales The Chartered Institute of Public Finance and Accountancy The Association of Chartered Certified Accountants The Institute of Chartered Accountants of Scotland Association of Accounting Technicians	www.cimaglobal.com www.icaew.co.uk https://www.cipfa.org/ www.accaglobal.com www.icas.org.uk
United States	Institute of Management Accountants American Institute of Certified Public Accountants National Association of State Boards of Accountancy Information Systems Audit & Control Association The Institute of Internal Auditors	www.imanet.org www.aicpa.org www.nasba.org www.isaca.org www.theiia.org
Uruguay	Colegio de Contadores y Economistas del Uruguay	www.ccea.com.uy
Uzbekistan	National Association of Professional Accountants and Auditors of Uzbekistan	https://www.ifac.org/about-ifac/membership/members/national-association-accountants-and-auditors-uzbekistan
Venezuela	Federacion de Colegios de Contadores Publicos de Venezuela	www.fccpv.org
Vietnam	Vietnam Accounting Association	
Yugoslavia	The Association of Accountants and Auditors of the FR of Yugoslavia	https://www.zica.co.zm/
Zambia	Zambia Institute of Chartered Public Accountants	
Zimbabwe	The Institute of Chartered Accountants of Zimbabwe	www.icaz.org.zw

Source: https://icai.org/post.html?post_id=2117

Annexure 11
Tendering Guidelines issued by ICAI

*A notification dated 7th April, 2016 issued by the Council of ICAI to monitor the tendering system for attest functions. The Notification states as under

Guideline No. 1-CA(7)/03/2016

In exercise of the powers conferred on it under Item (1) of Part II of the Second Schedule of the Chartered Accountants Act, 1949, the Council of the Institute of Chartered Accountants of India hereby issue the following guidelines for compliance by the members of the Institute –

(i) A member of the Institute in practice shall not respond to any tender issued by an organization or user of professional services in areas of services which are exclusively reserved for chartered accountants, such as audit and attestation services. However, such restriction shall not be applicable where minimum fee of the assignment is prescribed in the tender document itself or where the areas are open to other professionals along with the Chartered Accountants.

(ii) This Guideline shall come into force with immediate effect.

The same is available at

https://www.icai.org/new_post.html?post_id=12547

Frequently Asked Questions (FAQs) on Responding to Tenders have been prepared for general guidance purpose for members, for details, please visit

http://pdicai.org/docs/Frequently%20Asked%20Questions_18.6.2016_1862016135710211.pdf

Source: https://www.icai.org/new_post.html?post_id=12547

Annexure 12
Revised Minimum Recommended Scale of Fees for the Professional Assignments done by the Chartered Accountants

The Committee for Capacity Building of Members in Practice (CCBMP) of ICAI as a part of its commitment to strengthen the Small & Medium Practitioners has initiated the Revised Minimum Recommended Scale of Fees for the professional assignments done by members of ICAI. The recommendation is about the fee to be charged as per the work performed for various professional assignments.

The fee has been recommended separately for Class A & Class B cities.

PARTICULARS					*Rates*	
					For Class A Cities	***For Class B Cities***
					Revised Minimum Recommended scale of Fees	***Revised Minimum Recommended scale of Fees***
I)	**ADVISING ON DRAFTING OF DEEDS/AGREEMENTS**					
	(a)	i)	Partnership Deed		Rs 15,000/- & Above	Rs 10,000/- & Above
		ii)	Partnership Deed (With consultation & Tax Advisory)		Rs 20,000/- & Above	Rs 15,000/-& Above
	(b)	Filing of Forms with Registrar of Firms			Rs 7,000/- & Above Per Form	Rs 5,000/- & Above Per Form
	(c)	Supplementary/Modification in Partnership Deed			Rs 12,000/- & Above	Rs 9,000/- & Above
	(d)	Joint Development Agreements/ Joint Venture Agreements			Rs 12000 & Above (See Note-1)	Rs 9000 & Above (See Note-1)
	(e)	Others Deeds such as Power of Attorney, Will, Gift Deed etc.			Rs 5000 & Above	Rs 3000 & Above
II)	**INCOME TAX**					
	A.	**Filing of Return of Income**				
	I)	For Individuals/HUFs etc.				
		(a)	Filing of Return of Income with Salary/Other Sources/Share of Profit		Rs 8,000/- & Above	Rs 6,000/- & Above
		(b)	Filing of Return of Income with detailed Capital Gain working			
			i)	Less than 10 Transactions (For Shares & Securities)	Rs 11,000/- & Above	Rs 8,000/- & Above
			ii)	More than 10 Transactions (For Shares & Securities)	Rs 17,000/- & Above	Rs 12,000/- & Above
		(c)	Filing of Return of Income for Capital Gain on Immovable property		Rs 32,000/- & Above	Rs 22,000/- & Above
		(d)	Filing of Return of Income with Preparation of Bank Summary, Capital A/c & Balance Sheet.		Rs 12,000/- & Above	Rs 9,000/- & Above

PARTICULARS					*Rates*	
					For Class A Cities	***For Class B Cities***
					Revised Minimum Recommended scale of Fees	***Revised Minimum Recommended scale of Fees***
	II)	(a)	Partnership Firms/Sole Proprietor with Advisory Services		Rs 15,000/- & Above	Rs 11,000/- & Above
		(b)	Minor's I.T. Statement		Rs 8,000/- & Above	Rs 8,000/- & Above
		(c)	Private Ltd. Company :			
			i)	Active	Rs 25,000/- & Above	Rs 17,000/- & Above
			ii)	Defunct	Rs 12,000/- & Above	Rs 9,000/- & Above
		(d)	Public Ltd. Company			
			i)	Active	Rs 65,000/- & Above	Rs 45,000/- & Above
			ii)	Defunct	Rs 25,000/- & Above	Rs 17,000/- & Above
	B.	**Filing of Forms etc.**			**(Quarterly Fees)**	**(Quarterly Fees)**
	(a)	Filing of TDS/TCS Return (per Form)				
		i)	With 5 or less Entries		Rs 4,000/- & Above	Rs 3,000/- & Above
		ii)	With more than 5 Entries		Rs 9,000/- & Above	Rs 7,000/- & Above
	(b)	Filing of Form No. 15-H/G (per Set)			Rs 4,000/- & Above	Rs 3,000/- & Above
	(c)	Form No. 49-A/49-B			Rs 4,000/- & Above	Rs 3,000/- & Above
	(d)	Any other Forms filed under the Income Tax Act			Rs 4,000/- & Above	Rs 3,000/- & Above
	C.	**Certificate**				
		Obtaining Certificate from Income Tax Department			Rs 14,000/- & Above	Rs 10,000/- & Above
	D.	**Filing of Appeals etc.**				
	(a)	First Appeal Preparation of Statement of Facts, Grounds of Appeal, Etc.			Rs 32,000/- & Above	Rs 22,000/- & Above
	(b)	Second Appeal (Tribunal)			Rs 65,000/- & Above	Rs 45,000/- & Above
	E.	**Assessments etc.**				
	(a)	Attending Scrutiny Assessment/Appeal				
		(i)	Corporate		See Note 1	See Note 1
		(ii)	Non Corporate		Rs 32,000/- & Above	Rs 22,000/- & Above
	(b)	Attending before Authorities			Rs 10,000/- & Above Per Visit	Rs 7,000/- & Above Per Visit
	(c)	Attending for Rectification/Refunds/Appeal effect etc.			Rs 7,000/- & Above Per Visit	Rs 5,000/- & Above Per Visit
	(d)	Income Tax Survey			Rs 80,000/- & Above	Rs 55,000/- & Above
	(e)	T.D.S. Survey			Rs 50,000/- & Above	Rs 35,000/- & Above
	(f)	Income Tax Search and Seizure			See Note 1	See Note 1
	(g)	Any other Consultancy			See Note 1	See Note 1
III)	**CHARITABLE TRUST**					
	(a)	(i)	Registration Under Local Act		Rs 25,000/- & Above	Rs 17,000/- & Above

PARTICULARS				Rates	
				For Class A Cities	*For Class B Cities*
				Revised Minimum Recommended scale of Fees	***Revised Minimum Recommended scale of Fees***
		(ii)	Societies Registration Act	Rs 32,000/- & Above	Rs 22,000/- & Above
	(b)	Registration Under Income Tax Act		Rs 25,000/- & Above	Rs 18,000/- & Above
	(c)	Exemption Certificate U/s 80G of Income Tax Act		Rs 20,000/- & Above	Rs 14,000/- & Above
	(d)	Filing Objection Memo/other Replies		Rs 10,000/- & Above	Rs 7,000/- & Above
	(e)	Filing of Change Report		Rs 10,000/- & Above	Rs 7,000/- & Above
	(f)	Filing of Annual Budget		Rs 10,000/- & Above	Rs 7,000/- & Above
	(g)	Attending before Charity Commissioner including for Attending Objections		Rs 8,000/- & Above per visit	Rs 6,000/- & Above per visit
	(h)	(i)	F.C.R.A. Registration	Rs 35,000/- & Above	Rs 25,000/- & Above
		(ii)	F.C.R.A. Certificatioin	Rs 8,000/- & Above	Rs 6,000/- & Above
IV)	**COMPANY LAW AND LLP WORK**				
	(a)	Filing Application for Name Approval		Rs 8,000/-& Above	Rs 6,000/- & Above
	(b)	Incorporation of a Private Limited Company/LLP		Rs 35,000/- & Above	Rs 25,000/- & Above
	(c)	Incorporation of a Public Limited Company		Rs 65,000/- & Above	Rs 45,000/- & Above
	(d)	Advisory or consultation in drafting MOA, AOA		Rs 15,000/- & Above	Rs 12,000/- & Above
	(e)	(i)	Company's/LLP ROC Work, Preparation of Minutes, Statutory Register & Other Secretarial Work	See Note 1	See Note 1
		(ii)	Certification (Per Certificate)	Rs 15,000/- & Above	Rs 10,000/- & Above
	(f)	Filing Annual Return etc.		Rs 10,000/- & Above per Form	Rs 8,000/- & Above per Form
	(g)	Filing Other Forms Like : F-32, 18, 2 etc.		Rs 5,000/- & Above per Form	Rs 4,000/- & Above per Form
	(h)	Increase in Authorised Capital Filing of F-5, F-23, preparation of Revised Memorandum of Association/Article of Association/LLP Agreement		Rs 25,000/- & Above	Rs 20,000/- & Above
	(i)	DPIN/DIN per Application		Rs 4,000/- & Above	Rs 3,000/- & Above
	(j)	Company Law Consultancy including Petition drafting		See Note 1	See Note 1
	(k)	Company Law representation including LLP before RD and NCLT		See Note 1	See Note 1
	(l)	ROC Representation		See Note 1	See Note 1
	AUDIT AND OTHER ASSIGNMENTS				
		Rate per day would depend on the complexity of the work and the number of days spent by each person			
		(i)	Principal	Rs 18,000/- & Above per day	Rs 12,000/- & Above per day
		(ii)	Qualified Assistants	Rs 10,000/- & Above per day	Rs 8,000/- & Above per day

PARTICULARS					*Rates*	
					For Class A Cities	*For Class B Cities*
					Revised Minimum Recommended scale of Fees	*Revised Minimum Recommended scale of Fees*
		(iii)	Semi Qualified Assistants		Rs 5,000/- & Above per day	Rs 4,000/- & Above per day
		(iv)	Other Assistants		Rs 3,000/- & Above per day	Rs 2,000/- & Above per day
		Subject to minimum indicative Fees as under:				
		(i)	Tax Audit		Rs 40,000/- & Above	Rs 30,000/- & Above
		(ii)	Company Audit			
			(a)	Small Pvt. Ltd. Co. (Turnover up to Rs. 2 Crore)	Rs 50,000/- & Above	Rs 35,000/- & Above
			(b)	Medium Size Pvt. Ltd. Co./ Public Ltd. Co.	Rs 80,000/- & Above	Rs 55,000/- & Above
			(c)	Large Size Pvt. Ltd. Co./ Public Ltd. Co.	See Note 1	See Note 1
		(iii)	Review of TDS Compliance		Rs 25,000/- & Above	Rs 20,000/- & Above
		(iv)	Transfer Pricing Audit		See Note 1	See Note 1
VI)	**INVESTIGATION, MANAGEMENT SERVICES OR SPECIAL ASSIGNMENTS**					
	Rate per day would depend on the complexity of the work and the number of days spent by each person					
	(a)	Principal			Rs 35,000/- & Above + per day charge	Rs 25,000/- & Above + per day charge
	(b)	Qualified Assistant			Rs 18,000/- & Above + per day charge	Rs 12,000/- & Above + per day charge
	(c)	Semi Qualified Assistant			Rs 10,000/- & Above + per day charge	Rs 7,000/- & Above + per day charge
VII)	**CERIFICATION WORK**					
	(a)	Issuing Certificate under the Income Tax Act i.e. U/s. 80iA/80IB/10A/10B & other Certificates			See Note 1	See Note 1
	(b)	Other Certificates For LIC/Passport/Credit Card/etc.			Rs 10,000/- & Above	Rs 7,000/- & Above
	(c)	Other Attestation (True Copy)			Rs 3,000/- & Above per form	Rs 2,000/- & Above per Form
	(d)	Net worth Certificate for person going abroad			Rs 18,000/- & Above	Rs 12,000/- & Above
VIII)	**RERA**					
	(a)	Audit of Accounts			Rs 10,000/- & Above	Rs 7,000/- & Above
	(b)	Appearance Before Appellate Tribunal or Regulatory Authority or Adjudicating Authority			Rs 50,000/- & Above	Rs 40,000/- & Above
	(c)	Advisory & Consultation			See Note 1	See Note 1
	(d)	Certification for withdrawal of amount			See Note 1	See Note 1
IX)	**CONSULTATION & ARBITRATION**					
	Rate per hour would depend on the complexity of the work and the number of hours spends by each person.					

PARTICULARS			Rates	
			For Class A Cities	For Class B Cities
			Revised Minimum Recommended scale of Fees	Revised Minimum Recommended scale of Fees
	(a)	Principal	Rs 35,000/- & Above(initial fees) + additional fees @ Rs 8,000/- & Above per hour	Rs 25,000/- & Above(initial fees) + additional fees @ Rs 6,000/- & Above per hour
	(b)	Qualified Assistant	Rs 6,000/- & Above per hour	Rs 4,000/- & Above per hour
	(c)	Semi Qualified Assistant	Rs 3,000/- & Above per hour	Rs 2,000/- & Above per hour
X)	**NBFC/RBI MATTERS**			
	(a)	NBFC Registration with RBI	See Note 1	See Note 1
	(b)	Other Returns	Rs 18,000/- & Above	Rs 12,000/- & Above
XI)	**GST**			
	(a)	Registration	Rs 20,000/- & Above	Rs 15,000/- & Above
	(b)	Registration with Consultation	See Note 1	See Note 1
	(c)	Tax Advisory & Consultation i.e. about value, taxability, classification etc.	See Note 1	See Note 1
	(d)	Challan/Returns	Rs 15,000/- & Above + (Rs 4,000/- Per Month)	Rs 10,000/- & Above + (Rs 3,000/- Per Month)
	(e)	Adjudication/Show Cause notice reply	Rs 30,000/- & Above	Rs 20,000/- & Above
	(f)	Filing of Appeal / Appeals Drafting	Rs 30,000/- & Above	Rs 20,000/- & Above
	(g)	Furnish details of inward/outward supply	See Note 1	See Note 1
	(h)	Misc services i.e., refund, cancellation/revocation registration, maintain electronic cash ledger etc.	See Note 1	See Note 1
	(i)	Audit of accounts and reconciliation Statement	Rs 40,000/- & Above	Rs 20,000/- & Above
	(j)	Any Certification Work	Rs 10,000/- & Above	Rs 5,000/- & Above
XII)	**FEMA MATTERS**			
	1	Filing Declaration with RBI in relation to transaction by NRIs/ OCBs	Rs 35,000/- & Above	Rs 25,000/- & Above
	2	Obtaining Prior Permissions from RBI for Transaction with NRIs/ OCBs	Rs 50,000/- & Above	Rs 35,000/- & Above
	3	**Technical Collaboration:** Advising, obtaining RBI permission, drafting and preparing technical collaboration agreement and incidental matters	See Note 1	See Note 1
	4	**Foreign Collaboration:** Advising, obtaining RBI permission, drafting and preparing technical collaboration agreement and incidental matters (incl. Shareholders Agreement)	See Note 1	See Note 1
	5	Advising on Non Resident Taxation Matters including Double Tax Avoidance Agreements including FEMA	See Note 1	See Note 1

PARTICULARS			*Rates*	
			For Class A Cities	***For Class B Cities***
			Revised Minimum Recommended scale of Fees	***Revised Minimum Recommended scale of Fees***
XIII)	**PROJECT FINANCING**			
	(a)	Preparation of CMA Data	See Note 1	See Note 1
	(b)	Services relating to Financial sector	See Note 1	See Note 1
Notes:				
1)	Fees to be charged depending on the complexity and the time spent on the particular assignment.			
2)	The above recommended minimum scale of fees is as recommended by the Committee for Capacity Building of Members in Practice (CCBMP) of ICAI.			
3)	The aforesaid table states recommendatory minimum scale of fees works out by taking into account average time required to complete such assignments. However, members are free to charge varying rates depending upon the nature and complexity of assignment and time involved in completing the same.			
4)	Office time spent in travelling & out-of-pocket expenses would be chargeable. The Committee issues for general information the above recommended scale of fees which it considers reasonable under present conditions. It will be appreciated that the actual fees charged in individual cases will be matter of agreement between the member and the client.			
5)	GST should be collected separately wherever applicable.			
6)	The Committee also recommends that the bill for each service should be raised separately and immediately after the services are rendered.			
7)	Class A Cities here includes Delhi, Mumbai, Calcutta, Chennai, Pune, Hyderabad, Bangalore and Ahmedabad. Class B Cities includes all other cities not included in "Class A".			
8)	The amount charged will be based on the location of the service provider.			

Source: https://resource.cdn.icai.org/47945ccbmp37942.pdf

Annexure 13
MoU/MRA/Joint Declarations signed with Foreign Bodies

Particulars	Link
Memorandum of Understanding with Chartered Professional Accountants of Canada (CPA Canada)	https://www.icai.org/post.html?post_id=15255
Mutual Recognition Agreement with the Institute of Certified Public Accountants in Ireland (CPA Ireland)	https://www.icai.org/post.html?post_id=15250
Mutual Recognition Agreement with the South African Institute of Chartered Accountants (SAICA)	https://www.icai.org/post.html?post_id=14858
Pilot International Pathway Programme of Chartered Accountants Australia & New Zealand	https://resource.cdn.icai.org/49849icai-ia39512.pdf
Memorandum of Understanding (MoU) with The Accounting and Auditing Standards Board of Bhutan	https://www.icai.org/post.html?post_id=10259
Memorandum of Understanding with the Institute of Certified Public Accountants of Kenya (ICPAK)	https://www.icai.org/new_post.html?post_id=15441
Form 2A and FAQs - for Entry in ICAI Register as an Associate Member under MRA / MoU of a Foreign Accounting Body	https://www.icai.org/post.html?post_id=10488
Memorandum of Understanding with Bahrain Institute of Banking and Finance (BIBF)	https://www.icai.org/new_post.html?post_id=15442
Memorandum of Understanding with the National Board of Accountants and Auditors (NBAA), Tanzania	https://www.icai.org/new_post.html?post_id=15443
Memorandum of Understanding with the Institute of Chartered Accountants of Nepal (ICAN)	https://www.icai.org/new_post.html?post_id=15444
Memorandum of Understanding (MoU) between ICAI and College of Banking & Financial Studies (CBFS), Oman	https://www.icai.org/post.html?post_id=9283
Mutual Recognition Agreement (MRA) with CPA Australia	https://www.icai.org/post.html?post_id=4289&c_id=227
License Agreement with ISACA	https://www.icai.org/post.html?post_id=13023

Source: https://www.icai.org/new_post.html?post_id=5617&c_id=80

Annexure 14
Revised Guidelines of Network

1. Short Title & Commencement

(i) These Guidelines may be called 'Guidelines for Networking.'

(ii) These Guidelines shall come into force on the 27th day of September, 2011

2. Definitions

(i) In this guidelines, unless there is anything repugnant in the subject or context,—

(a) Act–"Act" means The Chartered Accountants Act, 1949.

(b) Code of Ethics – "Code of Ethics" means the Code of Ethics issued by the Institute and decisions of the Council in this regard.

(c) Council–"Council" means the Council of the Institute.

(d) Firm – "Firm" means a sole Practitioner / proprietor, partnership or any such entity of professional accountants as may be permitted by law.

(e) Institute – "Institute" means the Institute of Chartered Accountants of India.

(f) Member – "Member" means a Member of the Institute as defined in Section 2(x) of The Chartered Accountants Regulations, 1988.

(g) Network - A larger structure:

(a) That is aimed at co-operation; and

(b) That is clearly aimed at profit or cost sharing or shares common ownership, control or management, common quality control policies and procedures, common business strategy, the use of a common brand name, or a significant part of professional resources.

(h) Network Firm – "Network Firm" means a firm or Entity that belongs to a Network.

(i) Regulations – "Regulations" means Chartered Accountants Regulations, 1988.

3. Concept

The Concept of Network is explained in appendix I, which forms an integral part of these guidelines.

4. Forms of the Network

The different forms of Network can be as under:-

4.1 A network can be constituted as a mutual entity which will act as a facilitator for the constituents of the Network. In such a case the Network itself will not carry out any professional practice.

4.2 A network can be constituted as a partnership firm subject to the condition that the total number of partners does not exceed twenty.

4.3 A network can be constituted as a Limited Liability Partnership subject to the provision of the Chartered Accountant Act and Rules and such other laws as may be applicable.

4.4 A network can be constituted as company subject to the guidelines prescribed by Institute for corporate form of practice and formation of management consultancy services company.

4.5 Network Firms shall consist of sole Practitioner/ proprietor, partnership or any such entity of professional accountants as may be permitted by the Act

4.6 A firm is allowed to join only one network.

4.7 Firms having common partners shall join only one Network.

5. Approval of Name of Network amongst firms registered with Institute

5.1 The Network may have distinct name which should be approved by the Institute. To distinguish a "Network" from a "firm" of Chartered Accountants, the words "& Affiliates" shall be used after the name of the network and the words "& Co."/"& Associates" shall not be used. The prescribed format of application for approval of Name for Network is at Form 'A' (enclosed). The names of the network may be as mentioned in Appendix II.

5.2 Provisions of Regulation 190 of the Chartered Accountants Regulations, 1988 shall be applicable to the name of Network. However, even if a name is approved and subsequently it is found that the same is undesirable then, the said name may be withdrawn at any time by the Institute. The Institute shall reject any undesirable name and the provisions in respect of names of companies as prescribed in the Companies Act, 1956 shall be applicable in spirit.

5.3 The Institute shall approve or reject the name of the Network and intimate the same to the Network at its address mentioned in Form 'A' within a period which shall not be later than 30 days from the date of receipt of the said Form.

5.4 Mere approval of the name of the Network shall not entitle the Network to carry on practice in its own name.

6. Registration of Network with entities in India

6.1 After the name of a Network is approved as per provision under Guideline 5, the Institute same shall reserve such name for a period of three (3) months from the date of approval.

6.2 The Network shall get itself registered with the Institute by applying in Form B within the period of 3 months, failing which the name assigned shall stand cancelled on the expiry of the said period.

6.3 Registration of Network with Institute is mandatory.

6.4 If different Indian firms are networked with a common Multinational Accounting Firm, they shall be considered as a part of network.

7. Listing of Network with entities outside India

7.1 The duly authorized representative(s) of the Indian Member firm(s)/Member constituting the Network with entities outside India shall file a declaration with the Institute in Form `D' for Listing of such Network within 30 days from the date of entering into the Network arrangement.

7.2 Proprietary/individual members, partnership firms as well as members in LLP or any such other entity of members as may be permitted by the Act, shall be permitted to join such network with entities outside India provided that the proprietary/individual members, partnership firms as well as members in LLP or any such other entity of members are allowed to join only one network and firms having common partners shall join only one such network.

8. Change in constitution of registered Network:

In case of change in the constitution of registered Network on account of any entry into or exit from the Network, the network shall communicate the same to the Institute by filing Form 'C' within a period of thirty (30) days from the date of change in the constitution.

9. Ethical Compliance

Once the relationship of network arises, it will be necessary for such a network to comply with all applicable ethical requirements prescribed by the Institute from time to time in general and the following requirements in particular: -

9.1 If one firm of the network is the statutory auditor of an entity then the associate [including the networked firm(s)] or the said firm directly/indirectly shall not accept the internal audit or book-keeping or such other professional assignments which are prohibited for the statutory auditor firm.

9.2 The guidelines of ceiling on Non-audit fees is applicable in relation to a Network as follows:—

i) For a Network firm who is doing statutory audit (including its associate concern and/or firm(s) having common partnership), it shall be the same as mentioned in the said notification; and

ii) For other firms of the same Network collectively, it shall be 3 times of the fee payable for carrying out the statutory audit of the same undertaking/ company.

9.3 In those cases where rotation of firms is prescribed by any regulatory authority, no member firm of the network can accept appointment as an auditor in place of any member firm of the network which is retiring.

9.4 The Network may advertise the Network to the extent permitted by the Advertisement Guidelines issued by Institute. The firms constituting the network are permitted to use the words "Network Firms" on their professional stationery.

9.5 The constituent member firms of a Network and the Network shall comply with all the Ethical Standards prescribed by the Council from time to time.

10. Consent of Client

The effect of registration of network with Institute will be deemed to be a public notice of the network and therefore consent of client will be deemed to be obtained.

11. Framework of Internal Bye-laws of Network

To streamline the networking, a network shall formulate operational bye-laws. Bye-laws may contain the following clauses on which the affiliates of the network may enter into a written agreement among themselves:

(i) Appointment of a Managing Committee, from among the managing partners of the member firms of the network and the terms and conditions under which it should function. The minimum and maximum number of members of the Managing Committee shall also be agreed upon.

(ii) Administration of the network

(iii) Contribution of membership fees to meet the cost of the administration of the network.

(iv) Identifying a partner of any of the member firms of the network to be responsible for the assignment (engagement partner)

(v) Dispute settlement procedures through arbitration and conciliation

(vi) Development of training materials for members of the network

(vii) Issue of News-letters for staff and clients

(viii) Development of softwares for different types of assignments

(ix) Development and maintenance of data bases relevant for different types of assignments

(x) Library

(xi) Appointment of a technical director to whom references can be made

(xii) Determining the methodology for drawing resources from each member firm

(xiii) Determining compensation to member firms for resources to be drawn from them

Peer review of the member firms

These clauses are illustrative.

12. Repeal and Saving

The erstwhile "Rules/Guidelines of Network" issued by the Institute stands repealed from the date of commencement of these Guidelines.

Provided that notwithstanding such repeal, anything done or any action taken or purported to have been done or taken in respect of the erstwhile Rules/Guidelines prior to the date of applicability of these Guidelines shall be deemed to have been done or taken under the corresponding provisions of these Guidelines.

Appendix-I
(Referred to in para 3 of the Guidelines of Network and forms an integrated part of the Guidelines)

CONCEPT

1.1 To enhance their ability to provide professional services, firms frequently form larger structures with other firms and entities. Whether these larger structures create a network depends on the particular facts and circumstances and does not depend on whether the firms and entities are legally separate and distinct. For example, a larger structure may be aimed only at facilitating the referral of work, which in itself does not meet the criteria necessary to constitute a network. Alternatively, a larger structure might be such that it is aimed at co-operation and the firms share a common brand name, a common system of quality control, or significant professional resources and consequently is deemed to be a network.

1.2 The judgment as to whether the larger structure is a network shall be made in light of whether a reasonable and informed third party would be likely to conclude, weighing all the specific facts and circumstances, that the entities are associated in such a way that a network exists. This judgment shall be applied consistently throughout the network.

1.3 Where the larger structure is aimed at co-operation and it is clearly aimed at profit or cost sharing among the entities within the structure, it is deemed to be a network. However, the sharing of immaterial costs does not in itself create a network. In addition, if the sharing of costs is limited only to those costs related to the development of audit methodologies, manuals, or training courses, this would not in itself create a network. Further, an association between a firm and an otherwise unrelated entity to jointly provide a service or develop a product does not in itself create a network.

1.4 Where the larger structure is aimed at co-operation and the entities within the structure share common ownership, control or management, it is deemed to be a network. This could be achieved by contract or other means.

1.5 Where the larger structure is aimed at co-operation and the entities within the structure share common quality control policies and procedures, it is deemed to be a network. For this purpose, common quality control policies and procedures are those designed, implemented and monitored across the larger structure.

1.6 Where the larger structure is aimed at co-operation and the entities within the structure share a common business strategy, it is deemed to be a network. Sharing a common business strategy involves an agreement by the entities to achieve common strategic objectives. An entity is not deemed to be a network firm merely because it co-operates with another entity solely to respond jointly to a request for a proposal for the provision.

1.7 Where the larger structure is aimed at co-operation and the entities within the structure share the use of a common brand name, it is deemed to be a network. A common brand name includes common initials or a common name. A firm is deemed to be using a common brand name if it includes, for example, the common brand name as part of, or along with, its firm name, when a partner of the firm signs an audit report.

1.8 Even though a firm does not belong to a network and does not use a common brand name as part of its firm name, it may give the appearance that it belongs to a network if it makes reference in its stationery or promotional materials to being a member of an association of firms. Accordingly, if care is not taken in how a firm describes such memberships, a perception may be created that the firm belongs to a network.

1.9 Where the larger structure is aimed at co-operation and the entities within the structure share a significant part of professional resources, it is deemed to be a network. Professional resources include:

Common systems that enable firms to exchange information such as client data, billing and time records;

Partners and staff;

Technical departments that consult on technical or industry specific issues, transactions or events for assurance engagements;

Audit methodology or audit manuals; and

Training courses and facilities.

1.10 The determination of whether the professional resources shared are significant, and therefore the firms are network firms, shall be made based on the relevant facts and circumstances. Where the shared resources are limited to common audit methodology or audit manuals, with no exchange of personnel or client or market information, it is unlikely that the shared resources would be significant. The same applies to a common training endeavour. Where, however, the shared resources involve the exchange of people or information, such as where staff are drawn from a shared pool, or a common technical department is created within the larger structure to provide participating firms with technical advice that the firms are required to follow, a reasonable and informed third party is more likely to conclude that the shared resources are significant.

Appendix-II
(Referred to in para 5.1 of the Guidelines of Network and forms an integrated part of the Guidelines)

Illustrative examples of names of Network:—

a) If the Network is a Mutual Entity or Partnership Firm: AB & Affiliates b) If the Network is a LLP:

b) AB Affiliates LLP

c) If the Network is a Limited Company:

d) AB Affiliates P. Ltd/Limited

Form `A'
APPLICATION FOR APPROVAL OF NAME FOR NETWORK OF FIRMS
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

[See the relevant Rule of Guidelines of Network amongst the firms registered with The Institute of Chartered Accountants of India]

1.	Proposed name of Network	1. ____________________
	(in order of preference) if the Network	2. ____________________
	has a distinct name	3. ____________________
		4. ____________________
2.	Name(s) of the	Firm Name/ Firm Regn. No./
	firm(s)/Member(s)	Member NameM.No.
	forming network	1. ____________ ____________
		2. ____________ ____________
		3. ____________ ____________
		4. ____________ ____________

3. Address of the Office of the Network

____

____

____

____

____

____

______________________________________ Pin ____________

E-mail (if any) ______________________________________

Phone No. ____

4. We hereby declare that the above firm(s)/Member(s) proposed/have entered into an understanding to form a network in accordance with Guidelines of Network amongst the firms registered with The Institute of Chartered Accountants of India and further affirm and confirm that the partner signing the application has been duly authorised by the other partners of the respective firms.

Place : ………………………..

Date : ………………………..

Name(s) with Membership No(s).
and signature(s) of duly authorized

Partner(s)/Proprietor(s) of the firms/
Member constituting Network

Instruction: A copy of the authorisation to be filed with the Institute by the partner signing the declaration on behalf the firm.

Form 'B'

APPLICATION FOR REGISTRATION OF NETWORK AMONGST FIRMS WITH INSTITUTE – INDIAN AFFILIATION THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

[See relevant Rule of Guidelines of Network amongst the firms registered
with The Institute of Chartered Accountants of India]

PARTICULARS OF NETWORK

1. Name of the Network

2. Address of the Network

3. Names and addresses of firms/Member constituting the Network

   Names and addresses of Firm Registration No./M.No.

   Firm(s)/Member(s)

4. Date and approval number of network name given by Institute

5. (a) Date of formation of Network

6. We undertake to comply with the guidelines/directions laid down by the Council regarding Network from time to time.

We hereby confirm that all the Network firms have entered into an understanding to work as a network in accordance with the Guidelines of Network amongst the firms registered with the Institute and further affirm and confirm that the partner signing the application has been duly authorized by the other partners of the respective firms.

Place : ………………………..

Date: …………………

Name(s) with membership No(s).
and
Signature(s) of duly authorized

Partner(s)/Proprietor(s) of the
firms/Member constituting Network

Chapter IX (Appointment As Statutory Auditor) Of Council General Guidelines No.1-CA(7)/02/2008, Dated 8TH AUGUST, 2008

9.0 A member of the Institute in practice shall not accept the appointment as statutory auditor of Public Sector Undertaking(s)/ Government Company(ies)/Listed Company(ies) and other Public Company(ies) having turnover of Rs. 50 crores or more in a year where he accepts any other work(s) or assignment(s) or service(s) in regard to the same Undertaking(s)/ Company(ies) on a remuneration which in total exceeds the fee payable for carrying out the statutory audit of the same Undertaking/ company.

Provided that in case appointing authority(ies)/regulatory body(ies) specify(ies) more stringent condition(s)/ restriction(s), the same shall apply instead of the conditions/restrictions specified under these Guidelines.

9.1 The above restrictions shall apply in respect of fees for other work(s) or service(s) or assignment(s) payable to the statutory auditors and their associate concern(s) put together.

9.2 For the above purpose,

(i) the term "other work(s)" or "service(s)" or "assignment(s)" shall include Management Consultancy and all other professional services permitted by the Council pursuant to Section 2(2)(iv) of the Chartered Accountants Act, 1949 but shall not include:-

(a) audit under any other statute;

(b) certification work required to be done by the statutory auditors; and

(c) any representation before an authority;

(ii) the term "associate concern" means any corporate body or partnership firm which renders the Management Consultancy and all other professional services permitted by the Council wherein the proprietor and/or partner(s) of the statutory auditor firm and/or their "relative(s)" is/are Director/s or partner/s and/or jointly or severally hold "substantial interest" in the said corporate body or partnership;

(iii) the terms "relative" and "substantial interest" shall have the same meaning as are assigned thereto under Appendix (9) to the Chartered Accountants Regulations, 1988.

9.3 In regard to taking up other work(s) or service(s) or assignment(s) of the undertaking/company referred to above, it shall be open to such associate concern or corporate body to render such work(s) or service(s) or assignment(s) so long as aggregate remuneration for such other work(s) or service(s) or assignment(s) payable to the statutory auditor/s together with fees payable to its associate concern(s) or corporate body(ies) do/does not exceed the aggregate of fee payable for carrying out the statutory audit.

Form 'C'

DECLARATION FOR CHANGE IN CONSTITUTION OF REGISTERED NETWORK

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

[See relevant Rule of Guidelines of Network amongst the firms registered with The Institute of Chartered Accountants of India]

1. Name of the Network

2. Address of the Network

3. Names and addresses of firms constituting the Network

Names and addresses of Firm(s)/Member(s)	Firm Registration No./M. No.

4. Name and address of the firm/member willing to enter/exit into/from the Network

Name and address of Firm(s)/Member(s)	Firm Registration No./M. No.

Date of change in the constitution:

We hereby declare that the above firm(s)/Members(s) proposed to have enter/exit into/from the network in accordance with the Guidelines of Network amongst the firms registered with the Institute of Chartered Accountants of India and further affirm and the confirm that the partner signing the application has been duly authorized by the other partners of the respective firms.

Place : ……………………… Name(s) with Membership No(s). and signature(s) of duly authorized

Date : ……………………… Partner(s)/Proprietor(s) of the firms

Instruction: A copy of the authorisation to be filed with the Institute by the partner signing the declaration on behalf the firm.

Form `D'

DECLARATION TO BE FILED FOR NETWORK WITH ENTITIES OUTSIDE INDIA

[See relevant rule of Guidelines of Network amongst the firms registered with The Institute of Chartered Accountants of India]

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

PARTICULARS OF NETWORK WITH ENTITIES OUTSIDE INDIA

1. Name of the Network
2. Address of the Network
3. Date on which the Indian firms have joined the present Network arrangement:
4. Name(s) & address(es) of all the firm(s) joined/joining the Network

   Name(s) of Firm(s) Firm Registration Number(s)

Verification

I/We solemnly declare and affirm that the information provided is true and correct to my/our knowledge and belief.

Place: …………………… Name(s) with Membership No(s) and signature(s) of a duly authorised

Date: …………………… Partner of the Indian firm(s)/ Member joining the Network

Note:

(i) All existing Network should file this declaration on or before 30th June____________.

(ii) Any new network arrangement shall file this declaration within 30 days of entering into the Network arrangement.

(iii) A copy of the authorisation to be filed with the Institute by the Partner signing the declaration on behalf of the firm.

(iv) The declaration may be filed jointly or separately with the Institute by the firms entering the Network.

Source: http://ccbmp.icai.org/documents/Network_Guidelines-August-1_21.09.pdf

Annexure 15
ICAI Rules of Merger & Demerger of CA Firms

ANNOUNCEMENT

RULES OF NETWORK AND MERGER-DEMERGER AMONGST THE FIRMS REGISTERED WITH THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

The Council at its 245th Meeting held from 31st August, 2004 to 2nd September, 2004 at New Delhi considered the Report of the Study Group on Capacity Building Measures of CA Firms and accepted the same with certain modification. The report as accepted has been hosted in the web site of the Institute under the title, 'Capacity Building Measures 2004'.

The Council at its 247th Meeting held from 4th January to 6th January, 2005 at New Delhi has decided that the Rules of Network amongst the firms registered with ICAI, Rules of Merger & Demerger formulated and finalized on the basis of recommendations of the Study Group shall come into force w.e.f. 6th January, 2005.

In the matter relating to network of firms registered with ICAI and entities outside India, the Council decided that in addition to the compliance with the Rules of Network amongst the firms registered with ICAI, the entities outside India wiling to form network with Indian CA firms would give a declaration in Form 'D' (enclosed).

RULES OF NETWORK

1. These Rules are called Rules for Network amongst the firms Registered with The Institute of Chartered Accountants of India.

2. Definition.

(i) Network - Network amongst two or more firms means an arrangement to facilitate the better functioning of the affiliate member firms in the interest of the profession and not for acquisition of any gain. Such Network shall include the formal Network to use the collective resources such as turnover, infrastructures, manpower, location for execution of Professional services of one or more type.

[*Explanation* -

1. An affiliation as referred to above shall also include:-

   (i) having an association with an accounting entity within or outside India such that it results directly or indirectly in a common professional economic or beneficial interest.

   (ii) one or more of the entities holding out that it is so affiliated or networked.

2. An entity shall not be treated as an affiliate of another merely for the reason that they

   (a) share professional knowledge and data base;

   (b) refer certain professional assignments or authorize the other to represent certain specific matters.

3. If different Indian firms are networked with a common Multi National Accounting Firm (MAF) then irrespective of the presence/absence of any affiliate relationship between the Indian firms *inter-se,* they shall be considered as part of a network.

(ii) Formal Network - Formal network means a network amongst two or more firms registered with The Institute of Chartered Accountants of India (ICAI), where the object of network is to use the collective resources of the affiliates for execution of professional services of one or more types at one and/or at multi-locational points. The resources would include financial, technical and other logistic support required to execute the professional assignments. In such type of network, the common resources may be pooled and exhibited together before the service user as those belonging to one particular set of professionals.

(iii) Referal Practice - Referal Practice means a practice to refer professional work by a firm to one of its associate/ affiliate either situated at a different place or rendering professional services not provided by it, to the user of the services. The pre-dominant objective of such a network is not to pool in their collective resources and exhibit them as those belonging to one particular set of professionals.

(iv) Act - Act means The Chartered Accountants Act, 1949.

(v) Regulations - Regulations means Chartered Accountants Regulations, 1988.

(vi) Code of Ethics - Code of Ethics means the Code of Ethics issued by the Institute and decisions of the Council in this regard.

(vii) Institute - Institute means the Institute of Chartered Accountants of India.

(viii) Council - Council means the Central Council of the Institute.

(ix) Member - Member means a Member in Practice. Member in Practice means a Member in Practice as defined in the Chartered Accountants Act, 1949.

3. Name of Network

(i) The Network may have distinct name which should be approved by the Institute. To distinguish a "Network" from a "firm" of Chartered Accountants, the words "& Affiliates" should be used after the name of the network and the words "& Co."/"& Associates" should not be used. The prescribed format of application for approval of Name for Network is at Form •A' (enclosed).

(ii) Standards prescribed in Regulations 190 of the Chartered Accountants Regulations, 1988 shall be applicable to the name of Network. However, even if a name is provided and subsequently it is found that the same is undesirable then, the said name can be withdrawn at any time by the Institute. The Institute shall reject any undesirable name and the provisions in respect of names of companies as prescribed in the Companies Act, 1956 shall be applicable in spirit.

(iii) The network should neither be permitted to advertise nor to use logo. The firms constituting the network are permitted to use the words "Affiliates/Members of .." (a network of Indian CA firms) on their professional stationery.

(iv) Network may work without a Name also.

4. Registration

(i) A Formal Network is required to be registered with the Institute in a prescribed Form 'B' (enclosed).

(ii) Referal Practice requires no registration.

(iii) It is for each firm to decide whether its affairs and relations with another firm results in creation of a Formal Network. Network shall evaluate for itself whether or not it is a formal network requiring registration with the Institute.

(iv) If different Indian firms are networked with a common Multinational Accounting Firm (MAF) then irrespective of the presence/absence of any 'affiliate' relationship between the Indian firms inter-se, they shall be considered as part of a network. As such, for these firms the registration with the Institute is not mandatory. It is only if these Indian firms decide to constitute a Formal Network, then the registration with the Institute is mandatory.

5. Ethical Compliance

Once the relationship of network arises, whether registered or not with the Institute, it will be necessary for such a network to comply with all applicable ethical requirements prescribed by the Institute from time-to-time in general and the following requirements in particular: -

(a) If one firm of the network is the statutory auditor of an entity then the associate [including the networked firm(s)] or the said firm directly/indirectly should not accept the internal audit or book-keeping or such other professional assignments which are prohibited for the statutory auditor firm.

(b) The Notification No. 1-CA(7)/60/2002 dated 8th March, 2002 (enclosed) in respect of ceiling on Non-audit fees is applicable in relation to a Network as follows: -

i) For a constituent member of a Network who is doing statutory audit (including its associate concern and/or firm(s) having common partnership), it shall be the same as mentioned in the said notification; and

ii) For other constituent member(s) of the same Network collectively, it shall be 3 times of the fee payable for carrying out the statutory audit of the same undertaking/company.

(c) In those cases where rotation of firms is prescribed by any regulatory authority, no member firm of the network can accept appointment as an auditor in place of any member firm of the network which is retiring. However, this restriction shall not apply in case of appointment as Statutory Central Auditor of Government agencies/Undertakings such as Public Sector Undertakings (PSUs), Public Sector Banks and Financial Institutions etc.

(d) The Constituent member firms of a Network & the Network shall comply with all the Ethical Standards prescribed by the Council from time to time.

6. Consent of Client

The network shall obtain consent of the client to engage an affiliate in discharging the professional assignments.

7. Constitution of Network

(i) Proprietary/partnership firm(s) as well as individual member(s) are permitted to form a Network.

(ii) A proprietary/partnership firm as well as individual Member are allowed to join only one Formal network.

(iii) Firms having common partners shall join only one network.

8. Object of Network

The Network itself will not carry on any business for acquisition of gain for itself and only act as a facilitator for its members/constituent Member firms to pursue their professional jobs.

9. Responding to Enquiries

Only one firm/Member can apply on behalf of the network showing the collective strength of all the constituent firms of the network, when responding to any enquiry.

10. Issuing Reports

Only the firm(s)/Member(s) forming Network are eligible to issue/sign/attest any certificate/Report/professional document/assignment.

11. Violation of Act

In case of alleged violation of the provisions of the Act, Regulations framed thereunder, guidelines/directions laid down by the Council from time to time and Code of Ethics by the Network firm, the proprietory/partnership firm(s)/individual Member constituting the Network would be answerable.

12. Exit From Network

A constituent Member firm/Member of a Network can exit from the network by sending the declaration in Form 'C' (enclosed) to the Institute and also to each and every constituent of the network. The concurrence/acceptance of the same by other firms forming part of the network firm shall not be required.

13. Framework of Internal Bye-laws of Network requiring Registration

To streamline the networking, a network shall formulate operational bye-laws. Bye-laws may contain the following clauses on which the affiliates of the network may enter into a written agreement among themselves:

(i) Appointment of a Managing Committee, from among the managing partners of the member firms of the network and the terms and conditions under which it should function. The minimum and maximum number of members of the Managing Committee shall also be agreed upon.

(ii) Administration of the network

(iii) Contribution of membership fees to meet the cost of the administration of the network.

(iv) Identifying a partner of any of the member firms of the network to be responsible for the assignment (engagement partner)

(v) Dispute settlement procedures through arbitration and conciliation

(vi) Development of training materials for members of the network

(vii) Issue of News-letters for staff and clients

(viii) Development of softwares for different types of assignments

(ix) Development and maintenance of data bases relevant for different types of assignments

(x) Library

(xi) Appointment of a technical director to whom references can be made

(xii) Determining the methodology for drawing resources from each member firm

(xiii) Determining compensation to member firms for resources to be drawn from them

(xiv) Peer review of the member firms. These clauses are illustrative.

Form A'

APPLICATION FOR APPROVAL OF NAME FOR NETWORK OF FIRMS

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

[See Rule 3 of Rules of Network amongst the firms registered with The Institute of Chartered Accountants of India]

1. Proposed name of Network (in order of preference) if the Network has a distinct name

1. ____________________

2. ____________________

3. ____________________

4. ____________________

2.	Name(s) of the firm(s)/Member(s) forming network	Firm Name/ Member Name	Firm Regn. No./ M.No.
		1. ______________	______________
		2. ______________	______________
		3. ______________	______________
		4. ______________	______________

3. Address of the Office of the Network

____

____

____ Pin E-mail (if any) ________________

4. We hereby declare that the above firm(s)/Member(s) proposed/have entered into an understanding to form a network in accordance with Rules of Network amongst the firms registered with The Institute of Chartered Accountants of India and further affirm and confirm that the partner signing the application has been duly authorised by the other partners of the respective firms.

Place : ________________

Name(s) with Membership No(s).
and signature(s) of duly authorized

Date

Partner(s)/Proprietor(s) of the firms/
Member constituting Network

Form 'B'
DECLARATION FOR REGISTRATION OF FORMAL NETWORK AMONGST FIRMS REGISTERED WITH ICAI

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

PARTICULARS OF NETWORK HAVING INDIAN AFFILIATION

1. Name of the Network
2. Address of the Network
3. Names and addresses of firms/Member constituting the Network

   Names and addresses of Firm(s)/Member(s)

   Firm Registration No./M.No.
4. (a) Date of formation of Network

   (b) Date on which present network arrangement was entered into
5. We undertake to comply with the guidelines/directions laid down by the Council regarding Network from time to time.

   We hereby declare that:

   (a) the network constituents have entered into an agreement to form this network.

   (b) that the partner(s) signing this declaration has been duly authorized by the other partners of the firm

Place : ________________________

Name(s) with Membership No(s).
and signature(s) of duly authorized

Date : ________________________

Partner(s)/Proprietor(s) of the firms/
Member constituting Network

Notification No.1-CA(7)/60/2002 dated 8th March, 2002

1-CA(7)/60/2002:

In exercise of the powers conferred by clause (ii) of Part II of the Second Schedule to the Chartered Accountants Act, 1949, the Council of the Institute of Chartered Accountants of India hereby specifies that a member of the Institute in practice shall be deemed to be guilty of professional misconduct, if he accepts the appointment as statutory auditor of Public Sector Undertaking(s)/Government Company(ies)/Listed Company(ies) and other Public Company(ies) having turnover of Rs. 50 crores or more in a year and accepts any other work(s) or assignment(s) or service(s) in regard to the same Undertaking(s)/Company(ies) on a remuneration which in total exceeds the fee payable for carrying out the statutory audit of the same Undertaking/company.

Provided that in case appointing authority(ies)/regulatory body(ies) specify(ies) more stringent condition(s)/restriction(s), the same shall apply instead of the conditions/restrictions specified in this Notification.

Explanation:

1. The above restrictions shall apply in respect of fees for other work(s) or service(s) or assignment(s) payable to the statutory auditors and their associate concern(s) put together;

2. For the above purpose,

   (i) the term "other work(s)" or "service(s)" or "assignment(s)" shall include Management Consultancy and all other professional services permitted by the Council pursuant to Section 2(2)(iv) of the Chartered Accountants Act, 1949 but shall not include:—

      (i) audit under any other statute;

      (ii) certification work required to be done by the statutory auditors; and

      (iii) any representation before an authority;

   (ii) the term "associate concern" means any corporate body or partnership firm which renders the Management Consultancy and all other professional services permitted by the Council wherein the proprietor and/or partner(s) of the statutory auditor firm and/or their "relative(s)" is/are Director/s or partner/s and/or jointly or severally hold "substantial interest" in the said corporate body or partnership;

   (iii) the terms "relative" and "substantial interest" shall have the same meaning as are assigned under Appendix (10) [now Appendix (9)] to the Chartered Accountants Regulations, 1988.

3. In regard to taking up other work(s) or service(s) or assignment(s) of the undertaking/company referred to above, it shall be open to such associate concern or corporate body to render such work(s) or service(s) or assignment(s) so long as aggregate remuneration for such other work(s) or service(s) or assignment(s) payable to the statutory auditor/s together with fees payable to its associate concern(s) or corporate body(ies) do/does not exceed the aggregate of fee payable for carrying out the statutory audit.

4. This notification is applicable for any appointment(s) on or after 1st April, 2002.

Form 'C'
DECLARATION FOR DISSOCIATION FROM A NETWORK
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

[See Rule 12 of Rules of Network amongst the firms registered with The Institute of Chartered Accountants of India]

1. Name of the Network

2. Address of the Network

3. Names and addresses of firms constituting the Network

Names and addresses of	Firm(s)/Member(s)
Firm Registration	No./M. No.

4. Name and address of the firm/member willing to dissociate from the Network

Name and address of	Firm(s)/Member(s)
Firm Registration	No./M. No.

In pursuance to the Rule 12 of Rules of the Network issued by The Institute of Chartered Accountants of India, We/I hereby declare our dissociation from the Network w.e.f. ______________________ .

I hereby declare that I have been duly authorised by the other partners to issue this declaration.

Place : ___________________

Name with Membership No(s).
and signature(s) of duly authorized

Date : ___________________

Partner(s)/Proprietor of the firm/
Member dissociating from the Network

Form 'D'

DECLARATION TO BE FILED FOR NETWORK WITH ENTITIES OUTSIDE INDIA

NETWORK WITH ENTITIES OUTSIDE INDIA

REGISTRATION NO.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

PARTICULARS OF NETWORK WITH ENTITTIES OUTSIDE INDIA

1. Name of the Network

2. Address of the Network

3. Name(s) & address(es) of firm(s)/entity(ies) constituting the Network

   (A) Indian firm(s) forming part of Network:

Name(s) of Firm(s)	Firm Registration Number(s)

   (B) Outside entity(ies) forming part of Network :

Name(s) of the entity(ies)	Registration No. of entity(ies), the name(s) of enactment(s)/ charter(s) under which Registered with the name of country(ies)

4. (a) Date of formation of Network

   (b) Date on which present network arrangement was entered into

5. Detail of ownership and management structure of outside entity(ies) constituting the Network

We, the authorized representative(s) of the entity(ies) outside India, hereby solemnly declare and undertake that :

(1) we are conversant with the provisions of the Chartered Accountants Act, 1949, the Chartered Accountants Regulations, the Code of Ethics and guidelines/directions regarding Network issued by the Council from time to time;

(2) in regard to the activities of the Network in India, we undertake to comply with the aforesaid provisions/guidelines/directions, in general, and in particular clauses (2) to (7) of Part-I of the First Schedule to the Chartered Accountants Act, 1949; and

(3) the activities under the Network will not tantamount to rendering services so as to constitute a commercial presence in India or in any way result in Mode 3* or Mode 4* rendering of services as per WTO terminology.

Place : _________________________

Name(s) with membership no. (if any) and signature(s) of
duly authorized representative(s) of the entity(ies)
outside India constituting Network

Date : _________________________

We, the authorized representative(s) of Indian Firm(s), solemnly declare as under:-

(1) the information given above is true and correct as per our information and belief; and

(2) non-compliance with the provisions of the Clauses (6) & (7) of Part I of the First Schedule to the Chartered Accountants Act, 1949 and the guidelines/directions laid down by the Council thereunder by the outside entity(ies) shall be deemed to be on our behest, unless proved otherwise.

Place : ___________________

Name(s) with Membership No(s) and signature(s) of duly authorized representative(s) of the Indian firm(s)/ Member constituting the Network

Date : ____________________

* Mode 3: Commercial Presence - Where services are provided through establishment of an office in the other country.

* Mode 4: Movement of Natural Persons - Where the professional accountant travels from one country to another to deliver a service.

Rules of Merger & Demerger Amongst The Firms Registered with The Institute of Chartered Accountants of India

1. These rules are called Rules of Merger & Demerger amongst the Firms registered with The Institute of Chartered Accountants of India.

2. Concept of Merger & Demerger

(i) The Partnership Act has not prescribed merger & demerger of partnerships. In the corporate world, merger and demerger have become universal practices for securing survival, growth, expansion and globalization of enterprise and achieving multitude of objectives. Merger is the fusion of two or more existing companies. On the other hand, demerger signifies a movement in the company just opposite to merger. 'Demerger' is also used to describe spinning off of an "undertaking" of a Corporate entity. The concept of 'Merger', 'Demerger' & 'Acquisition' are arising out of the 'Arrangement' under Sections 391-394 of the Companies Act, 1956. Merger and Demerger are natural corollary of globalization.

(ii) To incorporate the spirit of Corporate World and to imbibe the consolidation creed, the Council used the term 'merger' and 'amalgamation' of CA firms. The Council in its 198th Meeting held from 25th to 27th February, 1999 and in 223rd Meeting held from 2nd to 5th February, 2002 considered the Seniority and Mergers of the firm and implications of the decisions, are enclosed in Tabular form.

(iii) In order to have an orderly and sustainable growth of the CA firms, it is desirable that the coming together of the firms begins with networking and then matures to mergers. Networking will enable the firms to develop working relationships with each other. However, it is not to suggest that there cannot be mergers without networking.

(iv) The mergers should be effected to develop core competencies and to render professional services of a larger range spread over bigger geographical area. A merged big entity will always be superior to a network arrangement.

3. Merger

(i) To effectuate merger, a merger agreement in Form 'E' (enclosed) is to be filed with the Institute within 30 days from the date of the agreement. The re- constitution agreement/partnership deed shall be filed with the Registrar of Firms.

(ii) Upon the merger of the firms, the Institute will freeze the names of the merging firms and shall not allot the same names to any other firm.

4. Demerger

(i) The merger has to precede the demerger. The merger agreement itself shall contain the terms and conditions for demerger. Therefore no concurrence/acceptance is required from the continuing partners. The merger agreement shall stipulate that in case 75% or more of the continuing partners of one of the erstwhile firm(s) are willing to demerge then they can do so after giving due notice in Form 'F' (enclosed) to the other partners and to the Institute.

(ii) In case 75% or more of the continuing partners of one of the erstwhile merging firm have demerged after giving due notice to the other partners, then in such case, the merger shall come to an end and if the remaining erstwhile merging firms/partners of the erstwhile merged firm decided to continue, then they should enter into a fresh Merger/Partnership Agreement.

(iii) The Demerged Firm is entitled to practice in its old trade name, which existed at the time of merger.

(iv) The Constitution Certificate issued by the Institute to the demerged firm shall state the original date of establishment, the date of its merger and the date of the demerger. For the purpose of computing the seniority of the firm, the total period will be reckoned from the original date of establishment.

(v) The demerger can be demanded within a period of 5 years from the date of merger.

Council Decision on Change in Firm name/Seniority of firms

Prepared on the basis of Council Decisions of 198th Meeting held from 25-27th February, 1999 & 223rd Meeting held from 2 - 5th February, 2002.

	Particulars of Cases	***Seniority***	***Date Of Effect***
I	Proprietor of firm:	The date of establishment of practice in the trade name	27.2.1999
	A member practicing as a sole proprietor in a trade name, admits one or more members as partners thereby constituting a firm, and	The date of approval of the firm name or the date or establishment of the firm in the firm name, whichever is later	7.2.1999
	i. the firm name is the same trade name		
	ii. the firm name is different from the trade name		
II	Death of the individual member	Date of establishment as recognized by the Institute in the case of the deceased member if the sale/ assignment is made (within one year from the date of death of the member)	27.2.1999
	If the member practicing in a trade name dies and if the trade name is sold/assigned to another member and if the other member practices (either as sole proprietor or in partnership with others) immediately after such sale/assignment	The date of approval of the new trade/firm name or the establishment of practice under new trade/firm name by other member/members, whichever is later	27.2.1999
	(i) In the same trade name		
	(ii) In the new trade/firm name		
III	Partnership firms	There is no change in the date of the establishment of the firm	27.2.1999
	(a) Firm consisting of two partners - If one of the partners retires/dies and if the remaining partner continues either as sole proprietor or in partnership with others	Date of approval of new firm name or the date of establishment of the firm under the new firm name, whichever is later	27.2.1999
	(i) in the same firm name	There is no change in the date of establishment of the firm.	
	(ii) in a new firm name		
	(b) Firm consisting of more than two partners - If one or more of the partners dies/retires and the remaining partners continue to practice in the same firm name with or without dissolution.		
IV	Merger or amalgamation of two or more firms	Date of establishment of the firm, which firm name is continued to be used after merger.	27.2.1999
	If two or more firms merge/amalgamate, the new firm after merger/amalgamation practices.	(i) Change of name from the date of approval.	4.2.2002
	(i) in the firm name of one of the merged firms.	(ii) There is no change in the date of establishment. The old trade/firm name will be frozen in the Institute's records for three years from the date of approval of the new trade/firm name. In the constitution certificate issued by the Institute during that period of three years, the name will be mentioned as "M/s (formerly known as M/s)" During that period of three years, the firm will be given the option to have its original name at the choice of all the partners only if all those partners so apply to the Institute in the prescribed manner.	
	(ii) in a new firm name, in cases where the existing firm is seeking change of firm name and approval thereof.		

	Particulars of Cases	***Seniority***	***Date Of Effect***
	Example:		

	Name of firm	***Name of firm***	***Name of new firm***	***Seniority***	***Date of Effect***
1.	A & Co., 1966	B & Co., 1980	A & Co.	Date of establishment will be 1966	27.2.1999
2.	A & Co., 1966	B & Co., 1980	B & Co.	Date of establishment will be 1980	27.2.1999
3.	A & Co., 1966	B & Co., 1980	Y & Co.	Date of establishment will be date of approval of Y & Co. by the Institute or constitution of the Partnership firm, whichever is later.	27.2.1999
4.	A & Co., 1966	B & Co., 1980	Either AB & Co. or BA & Co.	Date of establishment will be 1966	4.2.2002

V.	Change in trade/ firm name The member/firm continues the practice (with or without change in constitution) with the change in trade/firm name.	(i) Change of name from the date of approval. (ii) There is no change in the date of establishment. The old trade/firm name will be frozen in the Institute's records for three years from the date of approval of the new trade/firm name. In the constitution certificate issued by the Institute during that period of three years, the name will be mentioned as "M/s (formerly known as M/s)" During that period of three years, the firm will be given the option to have its original name at the choice of all the partners only if all those partners so apply to the Institute in the prescribed manner.	27.2.1999

Note:

1. Trade name: The name in which the member practices as a sole proprietor.

2. Firm name: The name in which the firm practices.

3. 'Trade name' and 'Firm name' are the names as approved by ICAI.

4. Merger/amalgamation is a term not applicable to firms under the Partnership Act. It is reconstitution of firm by addition/ deletion of partners. The principles applicable to any reconstitution will, therefore, apply in these cases.

Form E'
FORMAT OF MERGER AGREEMENT
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

[See Rule 3 of Rules of Merger & Demerger amongst the firms registered with The Institute of Chartered Accountants of India]

We, (1).... (2) .... (3) ...... partners of (1) M/s. A & Co. (2) M/s. B & Co. & (3) .... execute this Merger Agreement on this day of, at:

1. M/s A & Co., a Partnership/Proprietorship firm of Chartered Accountants having its registered Head Office at , duly registered with the Institute of Chartered Accountants of India *vide* Firm No. in region (which expression shall include its successors, heirs and assigns).

The date of establishment, name of the partners, their membership nos, are as follows:-

(i) Date of establishment

(ii) Name of the Partners Membership No.

2. M/s. B & Co., a Partnership/Proprietorship firm of Chartered Accountants having its registered Head Office at, duly registered with the Institute of Chartered Accountants of India vide Firm No. in region (which expression shall include its successors, heirs and assigns).

The date of establishment, name of the partners, their membership nos, are as follows:-

(i) Date of establishment

(ii) Name of the Partners Membership No.

3. ____

Now, therefore, in consideration of mutual promise herein made and the consideration hereunder expressed, the parties hereto mutually covenant and agree as follows:

1. That the name of the merged firm will be and the date of establishment of the merged firm is the date of establishment of the oldest/older firm i.e.

2. That this merger will come into force w.e.f. 20XX, where after, the merging firm i.e. M/s A & Co., and M/s B & Co. cease to exist and a separate partnership deed has been executed on amongst the partners of the merged firm.

3. That the following persons are the partners of the merged firm:

   1. Mr. Membership No.
   2. Mr. Membership No.
   3. Mr. Membership No.
   4. Mr. Membership No.
   5. Mr. Membership No.
   6. Mr. Membership No.
   7. Mr. Membership No.
   8. Mr. Membership No.

We, all the partners of the merged firm ____________________ understand that this merger has the following consequences in pursuance to the decision of the Council of the Institute: -

1. That the name of the erstwhile merging firms will be frozen by the Institute.

2. And in case 75% or more of the continuing partners of one or more erstwhile merging firm(s) are willing to demerge, they may demerge after giving due notice and will be entitled to the following benefits :

   (i) They shall be entitled to the total seniority acquired i.e. their earlier pre-merger seniority and the years during which they were in merged firm.

   (ii) They are entitled to their old firm's name.

   Provided in case, 75% is a fraction, then the same shall be rounded off to the next number.

3. That the date of establishment of the new demerged firm shall be the date of demerger.

4. That to effectuate such demerger, no concurrence/acceptance is required from the other continuing partners of the merged firm. The partners of such demerged firm shall execute a partnership deed. The merged firm as well as the demerged firm shall submit fresh Form 18 as prescribed under the Chartered Accountants Regulations, 1988 to the Institute within the prescribed period.

5. In case of 75% or more of the continuing partners of one of the erstwhile merging firm have demerged after giving due notice to the other partners, then in such case, the merger shall come to an end and if the remaining erstwhile merging

firms/partners of the erstwhile merged firm decided to continue, then they should enter into a fresh Merger/Partnership Agreement and shall submit fresh Form 18 as prescribed under the Chartered Accountants Regulations, 1988 to the Institute within the prescribed period.

6. That the demerger in the manner here in before mentioned can be demanded only within a period of 5 years from the date of merger.

IN WITNESS WHEREOF, the Partners of the Merged firm M/s_____________ hereto set their hands on this agreement in the presence of the witnesses.

WITNESSES :

1. (i)

(ii)

(iii)

(iv)

(v)

2. (vi)

(vii)

(viii) Partners of M/s _____________

Form F'

NOTICE FOR DEMERGER

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

[See Rule 4(i) of Rules of Merger and Demerger amongst the firms registered with The Institute of Chartered Accountants of India]

1. We the following persons

Name(s)	Membership No.(s)
______________________	______________________
______________________	______________________

being partners of M/s ___________________ which merged with the firm M/s _______________ as per merger agreement dated willing to demerge with effect from ___________________

2. We are the partners of the erstwhile Merging firms, M/s _______________ merged with M/s. _______________ & constitute the merged firm _______________ with effect from _______________ . The Merger Agreement dated _______________ and Form 18 were filed before the Institute on _______________.

3. We constitute 75% or _______________ % of the continuing partners of the erstwhile firm M/s. _______________.

4. This demerger is within a period of 5 years from the date of merger.

5. We desire that our pre-merger name be allotted to us.

Place: ______________________________

Date: ______________________________

Signature of all the Partners of the Erstwhile Firm M/s. _______________ willing to demerge.

Annexure 16
Guidelines for Corporate Form of Practice

Definition

(i) Managing Director, Whole-time Director and Manager -The term "Managing Director", "Whole-time Director" and "Manager" shall have the same meaning as defined/understood in the Companies Act, 1956. For this purpose, the member in practice who is a Managing Director, Whole-time Director or Manager shall be full-time practitioner/proprietor/partner in a Chartered Accountants firm.

(ii) Act – Act means The Chartered Accountants Act, 1949.

(iii) Regulations – Regulations means the Chartered Accountants Regulations, 1988.

(iv) Code of Ethics – Code of Ethics means the Code of Ethics issued by the Institute and decisions of the Council in this regard.

(v) Institute – Institute means the Institute of Chartered Accountants of India.

(vi) Council – Council means the Central Council of the Institute.

(vii) Member – Member means a Member in Practice. Member in Practice means a `Member in Practice' as defined in the Chartered Accountants Act, 1949 and its Regulations.

(viii) Management Consultancy & Other Services – Management Consultancy & Other Services or MCS means `Management Consultancy & Other Services' permitted by the Council in pursuance to Section 2(2)(iv) of the Chartered Accountants Act, 1949. The definition of the expression "Management Consultancy and other Services" as appears at pages 8-10 of the Code of Ethics, 2005 edition is as under:

The expression "Management Consultancy and other Services" shall not include the function of statutory or periodical audit, tax (both direct taxes and indirect taxes) representation or advice concerning tax matters or acting as liquidator, trustee, executor, administrator, arbitrator or receiver, but shall include the following:

(i) Financial management planning and financial policy determination.

(ii) Capital structure planning and advice regarding raising finance.

(iii) Working capital management.

(iv) Preparing project reports and feasibility studies.

(v) Preparing cash budget, cash flow statements, profitability statements, statements of sources and application of funds etc.

(vi) Budgeting including capital budgets and revenue budgets.

(vii) Inventory management, material handling and storage.

(viii) Market research and demand studies.

(ix) Price-fixation and other management decision making.

(x) Management accounting systems, cost control and value analysis.

(xi) Control methods and management information and reporting.

(xii) Personnel recruitment and selection.

(xiii) Setting up executive incentive plans, wage incentive plans etc.

(xiv) Management and operational audits.

(xv) Valuation of shares and business and advice regarding amalgamation, merger and acquisition.

(xvi) Business Policy, corporate planning, organisation development, growth and diversification.

(xvii) Organisation structure and behaviour, development of human resources including design and conduct of training programmes, work study, job-description, job evaluation and evaluation of work loads.

(xviii) Systems analysis and design, and computer related services including selection of hardware and development of software in all areas of services which can otherwise be rendered by a Chartered Accountant in practice and also to carry out any other professional services relating to EDP.

(xix) Acting as advisor or consultant to an issue, including such matters as: -

(a) Drafting of prospectus and memorandum containing salient features of prospectus. Drafting and filing of listing agreement and completing formalities with Stock Exchanges, Registrar of Companies and SEBI.

(b) Preparation of publicity budget, advice regarding arrangements for selection of (i) ad-media, (ii) centres for holding conferences of brokers, investors, etc., (iii) bankers to issue, (iv) collection centres, (v) brokers to issue, (vi) underwriters and the underwriting arrangement, distribution of publicity and issue material including application form, prospectus and brochure and deciding on the quantum of issue material (In doing so, the relevant provisions of the Code of Ethics must be kept in mind).

(c) Advice regarding selection of various agencies connected with issue, namely Registrars to Issue, printers and advertising agencies.

(d) Advice on the post issue activities, e.g., follow up steps which include listing of instruments and despatch of certificates and refunds, with the various agencies connected with the work.

Explanation: For removal of doubts, it is hereby clarified that the activities of broking, underwriting and portfolio management are not permitted.

(xx) Investment counseling in respect of securities [as defined in the Securities Contracts (Regulation) Act, 1956 and other financial instruments.] (In doing so, the relevant provisions of the Code of Ethics must be kept in mind).

(xxi) Acting as registrar to an issue and for transfer of shares/other securities. (In doing so, the relevant provisions of the Code of Ethics must be kept in mind).

(xxii) Quality Audit.

(xxiii) Environment Audit.

(xxiv) Energy Audit.

(xxv) Acting as Recovery Consultant in the Banking Sector.

(xxvi) Insurance Financial Advisory Services under the Insurance Regulatory & Development Authority Act, 1999, including Insurance Brokerage.

(ix) Management Consultancy Company - Management Consultancy Company means a Company which complies with the Guidelines for Practice in Corporate Form issued by the Institute.

(x) Relative – Relative means "Relative" as defined in Appendix (9) of the Chartered Accountants Regulations, 1988, 2002 edition.

3. Name of the Management Consultancy Company

(i) The Management Consultancy Company shall have a distinct name which shall be approved by the Institute. The prescribed format of application for approval of name for Management Consultancy Company is at Form `G' (enclosed).

(ii) Standards prescribed in Regulations 190 of the Chartered Accountants Regulations, 1988 shall be applicable to the name of the Management Consultancy Company. However, even if a name is provided and subsequently it is found that the same is undesirable then, the said name can be withdrawn at any time by the Institute. The provisions in respect of name of companies as prescribed in the Companies Act, 1956 shall be applicable in letter and spirit.

(iii) The name of Management Consultancy Company may indicate the area of 'Management Consultancy & Other Services' permitted by the Council from time to time.

(iv) The Management Consultancy Company shall neither be permitted to advertise nor to use logo.

4. Registration

After approval of the name under Guideline 3 and incorporation under the Companies Act, 1956, the Management Consultancy Company is required to be registered with the Institute in a prescribed Form 'H' (enclosed).

5. Ethical Compliance

(i) Once the Management Consultancy Company is Registered with the Institute as per the Guidelines, it will be necessary for such a Company to comply with the following requirements: -

a) If the individual practitioner/sole-proprietorship firm/partnership firm is the statutory auditor of an entity then the Management Consultancy Company should not accept the internal audit or book-keeping or such other professional assignments which are prohibited for the statutory auditor firm.

b) The Notification No. 1-CA(7)/60/2002 dated 8th March, 2002 (enclosed) in respect of ceiling on Non-audit fees is applicable in relation to a Management Consultancy Company.

c) The Management Consultancy Company shall comply with clauses (6) & (7) of Part-I of the First

Schedule to the Chartered Accountants Act, 1949 and such other directives as may be issued by the Institute from time to time.

(ii) The Management Consultancy Company shall give an undertaking that it shall comply with clauses (6) & (7) of Part-I of the First Schedule to the Chartered Accountants Act, 1949 and such other directives as may be issued by the Institute from time to time.

6. Object of Management Consultancy Company:

The Management Consultancy Company shall engage itself only in Management Consultancy & Other Services. The Management Consultancy Company shall give an undertaking that it shall render only Management Consultancy & Other Services prescribed by the Council pursuant to powers under section 2 (2)(iv) of the Chartered Accountants Act, 1949.

The Object Clause should restrict itself only to the Management Consultancy & Other Services permitted by the Council in pursuance to Section 2(2)(iv) of the Chartered Accountants Act, 1949.

7. Violation of Act

In case of alleged violation of the provisions of the Act, Regulations framed thereunder, guidelines/directions laid down by the Council from time to time and Code of Ethics issued by the Council, the individual practitioner/ sole-proprietorship firm/partnership firm in general and the Managing Director/Whole-time Director/Manager of such company in particular, would be answerable.

8. Applicability of Companies Act, 1956 and other laws

All the provisions of the Companies Act, 1956 and other laws that are applicable to a Company formed under the Companies Act, 1956 shall be applicable to the Management Consultancy Company. The Guidelines are in addition to the provisions contained in the Companies Act, 1956.

9. Benefits available to members if the Guidelines framed are complied with

i) The member can retain full time Certificate of Practice besides being the Managing Director/Whole-time Director/Manager of Management Consultancy Company.

ii) The member will be entitled to train articled/audit assistant(s).

iii) There will be no restrictions on the quantum of the equity holding of the member, either individually and/or along with his relatives, in such a company.

10. Transitory Provisions

i) Any member who wishes to become Managing Director/ Whole-time Director/Manager of an existing Company, which is rendering Management Consultancy & Other Services, and wishes to take other benefit contained in the Guidelines, shall comply with the Guidelines for Practice in Corporate Form.

ii) The Company is required to take approval of name and then apply for registration with the Institute.

iii) If the Institute has reservation over the name of an existing Company that wishes to come under the provisions of this Guidelines, the Company shall be required to apply for change in name.

iv) The Company is also required to change its object clause, if the same contains objects other than those provided in the Guidelines.

Form `G'

APPLICATION FOR APPROVAL OF NAME FOR PROPOSED MANAGEMENT CONSULTANCY COMPANY

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

[See Guideline 3 of Guidelines for Practice in Corporate Form]

1. Proposed name of the Company (in order of preference)
   1. ____________________
   2. ____________________
   3. ____________________

2. Name of the Members/firm along with name of partners forming proposed Management Consultancy Company

   Firm Name/Member Name Firm Regn. No./M.No.

3. Address of the Registered Office of the proposed Management Consultancy Company

   ____

   ____

   ____Pin ____________

Tel. No. ________________________ Fax No. ________________________

E-mail ________________________ Website Address ________________________

4. Ownership pattern of the Company

5. Name of the member proposing to become Managing Director/Whole-time Director/Manager

Name of the Member	Membership No.
1. ____________________	____________________
2. ____________________	____________________
3. ____________________	____________________

Place : ………………………..

Name(s) with Membership No(s).
and signature(s) of duly authorized

Date : ………………………..

Partner(s)/Proprietor(s) of the firms

Form 'H'
DECLARATION FOR REGISTRATION OF MANAGEMENT CONSULTANCY COMPANY
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

[See Guideline 4 of Guidelines for Practice in Corporate Form]

1. Name of the Management Consultancy Company

2. Address of the

   (v) Registered Office

   (vi) Branch Office

3. Ownership pattern of the Company

4. Name of the member(s) proposing to become Managing Director/Whole-time Director/Manager

Name of the Member	Membership No.
1. ____________________	____________________
2. ____________________	____________________
3. ____________________	____________________

5. Number and Date of Incorporation Certificate

   (Please enclose Incorporation Certificate issued by the ROC)

I/We hereby declare that the Management Consultancy Company shall render Management Consultancy & Other Services which are prescribed by the Council of the Institute from time to time pursuant to powers under Section 2(2)(iv) of the Chartered Accountants Act, 1949. This Company has been constituted in compliance with the Guidelines for Practice in Corporate Form issued by the Institute.

I/We hereby declare that I/We shall comply with Clauses (6) & (7) of Part I of the First Schedule to the Chartered Accountants Act, 1949 and such other directions as may be issued by the Institute from time to time in this regard.

Place : ________________

Date : ________________

Signatures of two authorised Directors of the body corporate and the Managing Director/Working Director/ Manager of that body corporate together with membership no. under a common seal.

(Enclose a copy of Board Resolution)

Notification No.1-CA(7)/60/2002 dated 8th March, 2002

1-CA(7)/60/2002

In exercise of the powers conferred by clause (ii) of Part II of the Second Schedule to the Chartered Accountants Act, 1949, the Council of the Institute of Chartered Accountants of India hereby specifies that a member of the Institute in practice shall be deemed to be guilty of professional misconduct, if he accepts the appointment as statutory auditor of Public Sector Undertaking(s)/ Government Company(ies)/ Listed Company(ies) and other Public Company(ies) having turnover of ₹ 50 crore or more in a year and accepts any other work(s) or assignment(s) or service(s) in regard to the same Undertaking(s)/ Company(ies) on a remuneration which in total exceeds the fee payable for carrying out the statutory audit of the same Undertaking/company.

Provided that in case appointing authority(ies)/regulatory body(ies) specify(ies) more stringent condition(s)/restriction(s), the same shall apply instead of the conditions/restrictions specified in this Notification.

Explanation:

1. The above restrictions shall apply in respect of fees for other work(s) or service(s) or assignment(s) payable to the statutory auditors and their associate concern(s) put together;

2. For the above purpose,

   (i) the term “other work(s)” or “service(s)” or “assignment(s)” shall include Management Consultancy and all other professional services permitted by the Council pursuant to Section 2(2)(iv) of the Chartered Accountants Act, 1949 but shall not include: -

   (i) audit under any other statute;

   (ii) certification work required to be done by the statutory auditors; and

   (iii) any representation before an authority;

   (ii) the term “associate concern” means any corporate body or partnership firm which renders the Management Consultancy and all other professional services permitted by the Council wherein the proprietor and/or partner(s) of the statutory auditor firm and/or their “relative(s)” is/are Director/s or partner/s and/or jointly or severally hold “substantial interest” in the said corporate body or partnership;

   (iii) the terms “relative” and “substantial interest” shall have the same meaning as are assigned under Appendix (10) [now Appendix (9)] to the Chartered Accountants Regulations, 1988.

3. In regard to taking up other work(s) or service(s) or assignment(s) of the undertaking/company referred to above, it shall be open to such associate concern or corporate body to render such work(s) or service(s) or assignment(s) so long as aggregate remuneration for such other work(s) or service(s) or assignment(s) payable to the statutory auditor/s together with fees payable to its associate concern(s) or corporate body(ies) do/does not exceed the aggregate of fee payable for carrying out the statutory audit.

4. This notification is applicable for any appointment(s) on or after 1st April, 2002.

Source: http://ccbmp.icai.org/

Professional Development Committee

भारतीय सनदी लेखाकार संस्थान

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

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