Chartered Accountants Act, 1949

➢**Definition in Section 2(2) of "To be in practice":**

A member of the Institute shall be deemed to be in practice when individually or in partnership with CA **in practice, he, in** consideration of remuneration received or to be received:

a)Engages himself in the practice of **accountancy** or

b)Performs services involving

- **auditing**
- **verification** of financial transactions, books, records.
- **preparation,** verification of financial accounting statements or hold himself out to the **public as an accountant** : or

c)**Renders professional services** or assistance about matters relating to accounting procedure or the recording, presentation or certification of financial facts or data

d)Renders such other services as, in **opinion in the council may rendered** by a CA in practice.

➢**Management Consultancy Services shall not include the following –.**

The activities of **Broking, Underwriting and Portfolio Management** are **NOT** permitted. [May 06]

➢**Sec. 5 – Classes of members of ICAI**

(1) Associates

(2) Fellow – Continuous five years

➢**Sec. 6 – Certificate of Practice**

a)CA Capacity only:- .[Nov., 02]

❖Once a person becomes a member of the Institute, he is **bound by the provisions of the CA Act** and its Regulations.

❖If he appears before the Income Tax Tribunal as an Income Tax Representative after becoming a member, he could appear so only in **his capacity as a CA and a member** of the Institute.

❖A member of the Institute can have **no other capacity** in which he can take up such practice, separable from his capacity to practice as a member of the Institute

➢**Sec. 7 – A member in practice is prohibited from using any designation other than Chartered Accountant.**

❖But he can use any other letter or description indicating **membership of Accounting bodies** approved by Council.

❖A member who is **not in practice and dose not using designation of a CA,** may use any other description.

- **Sec. 8 – Disabilities for membership**
  - ❖**Age less than 21 years** at the time of application for the eatery in the register.
  - ❖Person of **unsound mind** or stands so adjudged by competent court
  - ❖**Un-discharge insolvent**
  - ❖ Discharge insolvent who has not obtained certificate from court stating that his **insolvency was caused by misfortune** without any misconduct on his part.
  - ❖Person convicted of any offences involving **moral turpitude & Punishable** with transportation or imprisonment or an offence not to technical nature committed by him in his professional capacity unless:-
    - a)He has been granted pardon or
    - b)On application CG has by written order removed the disability
  - ❖**Persons removed from membership for professional or other misconduct**.
    Failure on the part of a person to disclose the fact that he suffers from any of the above disabilities would constituted professional misconduct.

- **Sec. 21 – Disciplinary Directorate**
  - ❖The Council shall, by notification, establish a Disciplinary Directorate by an officer of the Institute (Director) & such other employee for making investigation in respect of complaint or information received by it.
  - ❖On receipt of information or complaint along with prescribed fee, the director shall arrive at a **prime facie** opinion on the occurrence of alleged misconduct and decided whether he is guilty of professional misconduct falling in
    (1)First Schedule- place the matter before **Board of Discipline**
    (2)Second & Both Schedule- place the matter before **Disciplinary Committee**

- **Sec. 21 A – Board of Discipline**
  - ❖**Constitution**
    - **(1)**A person with the **experience of law & having knowledge** of the disciplinary matter and the profession (**Presiding Officer**)
    - **(2)**Two member – One **elected by Council** & Other **nominated by CG**
    - **(3)**The Director (Discipline) **shall functions as the Secretary**
  - ❖**If it found guilty, it can**
    - (1)Reprimand the member
    - (2)Remove the name from Register up to a period of 3 months
    - (3) Impose fine up to Rs. 1,00,000

- **Sec. 21 B – Disciplinary Committee-**
  - ❖**Constitution**
    - **(1)**The **president or VP** of the Council as the Presiding Officer
    - **(2)**Two **member elected amongst the members** of the Council
    - **(3)**Two member **nominated by the CG**

  The council may constitution more DC as and when it consider necessary
  - ❖**If it found guilty, it can**
    - (1)Reprimand the member
    - (2)Remove the name from Register permanently or for such period as it thinks fit
    - (3)Impose fine up to Rs. 5,00,000

- **Sec. 21 C – Authority, Disciplinary Committee & Board of Discipline and Director have power of civil court**
  Any member aggrieved by order of Board of Disciplinary Committee can prefer an appeal within 90 days before APPELLATE AUTHORITY

- **Sec. 24 – Penalty for false claims-**
  ❖Any person who not being member of the Institute, represent as member or **use designation CA** OR Being member but **not having certificate of practice**, represent that he is practicing CA
  Shall be punishable on first conviction **with fine up to Rs.1000/-**
  On any subsequent conviction =**5000 or/and imprisonment** which may extend to six month

- **Sec. 27 – Maintenance of Branch Office**
  ❖If a CA in practice or Firm has more than one office in India, each one should be under a separate charge of member of ICAI
  ❖Such member will be regarded as in charge of an office if he is actively associated with such office in the following manner
  (a) residing at the place of office for a period of 182 days or more
  (b) attending office at least 182 days
  (c) Other circumstances which in opinion of the Executive committee.

  ❖**A CA in the hilly areas are allowed to open the temporary offices in a city in the plains for a limited period not exceeding 3 months, provided that**
  (1) Regular office should not close during this period
  (2) Name board of temporary office is displayed at its functioning time
  (3) Intimation of opening & closing of such office shall send to ICAI.

  ❖**A CA can have second office without having other member in charge in the following cases**
  (1) Second office is located in the same premises
  (2) Office are located in the same city
  (3) Second office is located within a distance of 50 kms. From the local limits of city in which first office is located.

- **Other Misconduct**
  - Other misconduct relates to any misconduct of a member **even it does not arise out of his professional work**.
  - **Example:**
    - **(1)**Conviction by a Competent Court for an offence involving moral turpitude punishable with transportation or imprisonment or for an offence not of a technical nature committed by the member in his professional capacity
    - **(2)Retention of books of accounts** & documents of the client and failure to return these to the client on request **without reasonable causes**.
    - **(3)**Material **misrepresentation by a CA**
    - **(4)**Use of service of **Article Assistant for the purpose other than professional practice.**
    - **(5)**Misappropriation by **office-bearer of a Regional Council** of the Institute, of a **large amount and utilization thereof for his personal use**.
    - **(6)**Where a **CA had adopted coercive method** on a bank for having a loan sanctioned to him.

Other Misconduct in relation to member of the Institute generally

Part IV of First Schedule:-

- A member of the institute, whether in practice or not, shall be deemed to be guilty of other misconduct if he-
  - **(1)**is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term not exceeding six months
  - **(2)**in the opinion of the Council, brings disrepute to the profession or the institute as a result if his action whether or not related to his professional work.

Part III of Second Schedule:-

- A member of the institute, whether in practice or not, shall be deemed to be guilty of other misconduct if he is held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term exceeding six months.

SCHEDULE TO THE CA ACT

Acts and Omission which comprise **Professional Misconduct within the meaning of Sec. 22 are defined in two Schedules**

Schedules	*Part*	*Particulars*	*Aspect Covered*	*Clauses*
First	I	Professional Misconduct of **members in practice**.	Independence and Conduct of member	12
First	II	Professional Misconduct of **members in Service**.	Integrity and Trustworthiness aspect	02
First	III	Professional Misconduct of **members generally**	Falsity, Misrepresentation and Responsibility to ICAI	03
First	IV	Other Misconduct of **members generally**	Bringing disrepute to the profession or ICAI	02
Second	I	Professional Misconduct of **members in practice**.	Performance of the professional assignment	10
Second	II	Professional Misconduct of **members generally**	Compliance with CA Act & Regulation and council Directions	04
Second	III	Other Misconduct of **members generally**	Guilty of offence punishable with imprisonment exc. 6 m.	01

PART I of FIRST SECHEDULE

A CA in practice shall be deemed to be guilty of professional misconduct if he -

Clause	*Particulars*
01	**Allow any person to practice** in his name as a CA unless such other person is also CA in practice, and is in partnership with or employed by him.
02	**Pays** or allows or agree to pay or allow, directly or indirectly, **any share**, commission, brokerage in the fees or profits of his professional business, to any person other than – (a) a member of the Institute, (b) **a Partner***, (c) a Retired Partner, (d) the **legal representative** of a Deceased Partner. (e) a **member of any other professional** body, (f) with such other person having such a qualification as may be prescribed, for the purpose of rendering such professional service from time to time in or outside India.
03	**Accepts** or agrees to accept **any part of the profits** of the professional work of a person **who is not a member** of the Institute. However, a CA in practice is not prohibited from entering into profit sharing or other similar arrangements, including receiving any share, commission, or brokerage in the fees, with a member if such professional body or other person having qualifications as referred in Clause (2).
04	**Enters in to partnership**, in or outside India with any person other than – (a) a **CA in practice**, (b) such other person who is a member of any other professional body having such qualification **as may be prescribed**, including a resident who but his residence abroad would be entitled to be registered as a member u/s 4(1) (b) or whose qualifications are recognized by the Central Government or the Council for the purpose of permitting such partnerships.
05	**Secure**, either through the services of a person who is not an employee of such CA or who is not his partner, or by means which are not open to a CA, **any profession business**. Note: - This shall not be construed as prohibiting any arrangement permitted in terms of Clauses (2), (3) & (4) above.
06	**Solicits client or professional work**, either directly or indirectly, by circular, advertisement, personal communication or interview or by any other means. Note:-Nothing herein contained shall be constructed as prohibiting ➢ Any CA from applying or **requesting for or inviting** or securing professional work from another CA in practice or ➢ A member form **responding to tenders or enquiries** issued by various user of professional services or organization from time to time and securing professional work as a consequence.
07	**Advertise his professional attainments** or services, or **uses any designation** or expression other than “CA” on professional documents, visiting card, letter heads or sign boards unless it be a degree of a University established by Law of India or recognized by the Central Government or a title indicating membership of the ICAI or of any other institution that has been recognized by the Central Government or may be recognized by the Council. Note: **A member in practice may advertise through a write up setting out the services provided by him or his Firm and particulars of his Firm, subject to guidelines issued by the Council**.
08	**Accepts a position as an Auditor** previously held by – (a) another CA, or (b) a Certified Auditor who has been issued certificate under the Restricted Certificate Rules, 1932 **without first communicating with him in writing.**
09	**Accepts a position as an Auditor** of Company, without first ascertaining from it whether the **requirement of Sec. 225** of the Companies Act, 1956, in respect of such appointment have

	been duly complied with. (including requirement of Sec. 224A)
10	**Charges** or offers to charge, accepts or offer to accept in respect of any professional employment, **fees which are based on a percentage of profits** or which are contingent upon the findings or results of such employment, except as permitted under any regulations made under this Act.
11	Engages in **any business or occupation** other than the profession of CA unless permitted by the Council so to engage.
12	Allows a person not being a member of the Institute in practice, or a member not being his Partner, **to sign on his behalf** or on behalf of his Firm, any Balance Sheet, Profit & Loss Account, Report or Financial Statements.

Special Points*:*

- "Partner" includes a person residing outside India, with whom a CA in practice has entered into partnership **which is not in contravention of Clause (4)**.
- **Council's Decisions*:*** The **widow of a deceased member**, whose professional work consisted mainly of income tax representation, **cannot** receive a **monthly lump sum payment for a period of 5 year or a specific percentage of income**.
- The widow of a partner, **when the partnership Agreement does not** contain a provision entitling to share in profits, **would not be entitled to such profits**.
- **Sale of Goodwill**: Goodwill of a proprietary Firm of CA can be sold/ transferred to another member eligible member of the Institute, after the death of the Proprietor.
  - **Death concerned occurred on or after 30/08/1998**.
    - (a) The sales should be completed in all respects.
    - (b) ICAI's permission (Information of dispute – if dispute) to practice in deceased's proprietary Firm name is sought within 1 year of the death of such proprietor concerned.
    - (c) The name of the Proprietor Firm would be kept in abeyance till 1 year from the date of death. (If dispute – Date of Settlement)
  - **Death concerned occurred before 30/08/1998**.
    - (a) The sales should be completed in all respects.
    - (b) ICAI's permission to practice in deceased's proprietary Firm name is sought for by 28/08/1999.
    - (c) The name of the Proprietor Firm should be still available with Institute.

- A member of the Institute of CA of India practicing outside India is not governed by the **provisions of CA Act, 1949 since the provisions of the said Act are not applicable outside India.**
- A Member must not use the designation such as "Member of Parliament", Municipal Councilor any other functionary in addition to that of CA on his visiting cards [RTP, Nov.,2008]
- **Regulation 53A of CA (Amendment) Regulation, 2008**
  For the purpose of Clause (2), (3) & (4) of Part I of First Schedule to the Act, a person has to be a member of any of the following professional bodies namely,
    - **(a) The Institute of Company Secretaries of India**
    - **(b) The Institute of Cost & Works Accountant of India**
    - **(c) Bar Council member established under The Advocate Act, 1961**
    - **(d) The Indian Institute of Architects**
    - **(e) The Institute of Actuaries of India**

The membership of the professional bodies or institution outside India whose qualification relating to accountancy are recognised by Council u/s 29(2) shall also taken into consideration

- **Regulation 53A of CA (Amendment) Regulation, 2008**
  For the purpose of Clause (2), (3) & (4) of Part I of First Schedule to the Act, a person Qualified in India
  - **(a) Company Secretaries**
  - **(b) Cost Accountant**
  - **(c) Actuary**
  - **(d) Bachelor in Engineering, Bachelor in Technology, Bachelor in Architecture, Bachelor in Law, Master in Business Administration**

- **Guidelines for Advertisement [Notified by ICAI on 14th May, 2008]**:
  - **Write up: It means the writing of particulars according to the information given in the Guidelines setting out service rendered by the Member or firms and writing or display of the particulars of member(s) in practice or firm(s) issued, circulated or published by way of print or electronics mode or otherwise including in newspaper, journals, magazines, and website.**
  - **Information that may be included in Write up:**
    <u>For member</u>
    Name, Membership No., Age, Date of becoming ACA or FCA, Date of COP hold , Telephone number, Language known, Telephone number, Professional Address, Web, E-mail, CA Logo, Passport Size photograph, Details of Employee [Nos.], Services Provided
    <u>For member</u>
    Name of the Firm, Firm Registration No., Year of Establishment, Telephone number, Working Hours, Telephone number, Professional Address, Web, E-mail, CA Logo, No. of Partner, Passport Size photograph of partner, Details of Employee [Nos.], Services Provided
  - **Written up should not be false or misleading& bring the profession in to disrepute.**
  - **The Written up should not claim superiority over any other Members**
  - **The written up should not violated the provision of the Act, Rules.**
  - **The written up should not included the name of clients**
  - **The written up should not be of front size exceeding 14**
  - **The written up should not contain any information about achievement, award or any other position hold.**
  - **Membership no. or Firm Registration No. is mandatory**
  - **The written up may have signature, Name of Member, Place & Date**

- **Guidelines of posting the Particulars on Website**:
  - **ICAI's Rights**: The address of the website should be intimated to the ICAI **within 30 days**. The ICAI has power to direct deletion of certain portions and /or issue specific direction.
  - **Pull Model**: The website should be on a "pull model" and not "push" model of the technology. The information should be provided only on the basis of specific "Pull" request

- **Permissible Information**: [May 05]
  - **Member**/ Trade/ **Firm Name**
  - **Year of establishment**.
  - Member/ Firm's **address** (both HO & Branches), Telephone number, Fax number, **e-mails Id**(s).
  - **Nature of Services rendered** (**Pull request**)
  - Partners – Name, Year of Qualification, Other Qualification, Home, Office & Mobile Numbers, E-mails Id(s) (**Area of expertise displayed on Pull request**)
  - Details of Employees – Professional, Others, Name, Designation, (**Area of expertise displayed on Pull request**)
  - Job Vacancies for CA / Firm of CA(including Article ship)
  - No. of article clerks (Pull request)
  - **Nature of assignments handled.(Pull request)**

  Note: Names of clients and fee charged cannot be given.
- **Other details:** [Nov. 02]
  - Display of **Passport size photograph is permitted.**
  - There is **no actual format** of website prescribe by ICAI.
  - There is **no restriction on the colours**.
  - The address of website should be as near as possible to the Individual Name / Firm Name / Trade Name
  - **Articles can be displayed**.
  - Bulletin boards can be provided
  - **Chat Room can be provided to permit chatting amongst ICAI members and between Firms and the clients, Confidentiality Protocol should be observed.**
  - Search Facility
  - The website may provide a **link to the website of ICAI, its Regional Councils and Branches and also the Website of Government/ GD /RA/ AICPS/ ICAEW /CICA.**[May 06]
  - The website should **mention the date up to which it is updated**.
  - The information should **not material variance from ICAI's record**
  - Listing with CA Societies, Professional bodies, and other bodies offering listing to CA is permitted.
- **Prohibited** :
  - **No private Circulation, NO Advertisement**
  - **No request to hit website, NO LOGO**
  - **No unwanted Information**
  - **The name of CA's Firm with suffix "Chartered Accountant" would not be permitted.**

➢ **Guidelines on prohibited Solicitation**

- **Advertisement & Press Note**: Members are not permitted to advertise and even not permitted circulate letter of a small filed of possible of clients. Personal canvassing through help of employees also not permitted.

  Can advertise for
  - Change in Partnership/ address of practice/ telephone number
  - Dissolution of a firms

Can advertise in Journal of ICAI intended to give information for
- Sub Contact work
- Seeking Partnership
- Seeking salaried employed of accounting nature

Provided it contain only the accounts Name, Address, Fax number, E-mail address & Telephone Number. But name of firm can not be given

- **Issuing Hand Bills**: A member is **prohibited from distributing** hand bills ostensibly for the guidance, of person other than his regular clients, in matter such as changes in tax laws.
- **Publication of Books or Articles**: A member is not permitted to indicating in a book or an article, published by him, the associates with any firm of Chartered Accountants.
- **Giving Public Interview**: While giving any interview or otherwise **furnishing details about themselves or their Firms** in public interview to the press or at any forum, the members should ensure that it should not result in publicity. **Due care should be taken to ensure** that such interview or details about the member or their Firms, are not given in a manner highlighting their professional attainments.
- **Soliciting Professional work by making roving inquires**: It is not permitted for a member to address letter, circulars to persons who are likely to acquire services of a CA since it would tantamount to advertisement.
- **Acceptance of original professional work by a member emanating from the client introduced to him by another member**
- **It is not permissible for CA in practice to print their photograph on their visiting cards**
- **Uses of Box Number**: Members/ Firms are prohibited from inserting advertisements for soliciting clients or professional work under Box Numbers in the Newspapers.
- **Member should not respond to advertisement** inviting application for appointment of auditors & tenders, circulars inviting quotations for professional services restricted to C.A. & **not respond any inquiry asking for quotations of fees**, made to more than one member. **But relaxation is given where members compete with Non CAs**
- In case of **greeting cards of invitation**, member can use his designation and name of his firm, provided they are **sent to only to clients, relatives and close friends**.
- Member should **not publish his name in telephone directories** by making **special request** or by means of an additional payment. In other case, names can be added under specified groups subject to
  (1) Under the category of “CA”
  (2) Belong to town for which directory is published
  (3) Entry should be in normal letters. Bold/Italic not allowed.
  (4) Entry is open to all CA of that city.

- Where auditor is appointed u/s 233 A for conducting **Special Audit, it is not obligatory to communicate with Regular Auditor**.
- In case of Govt. Audit, if time schedule do not permit to **wait for reply**, **then incoming auditor can give conditional acceptance and start more important work immediately.**

- **Exception to clause (10)**
  - **Regulation 192**:

(1) A receive or **a liquidator** can receive fees based on % of realization or disbursement of the assets.
(2) **Auditor of Co- operative society can receive fees based on paid up capital or working capital or gross or net income or profits**.
(3) A **valuer for direct taxe**s and duties can charge fees based on % of the value of property valued.

- **Minimum Remuneration for certain Audit [Notification CA(7)93/2003]**

No. of Partners in Firm	Population of city > 3 millions	Population of city > 3 millions
5 to 9 partners	Rs.6,000	Rs. 3,500
10 and above	Rs. 12,000	Rs. 8,000

Note:- At least one of the partner of firms must FCA
Exemption:
(1) Honorary appointment
(2) Newly formed company for first 2 years
(3) Statutory Audit of branches
(4) Sales Tax Audit or VAT Audit
(5) Audit or Certificate work under Income Tax Act

- **General Permission granted by the Council under power given under Regulation 190 A:**

No special permission is required
(1) Employee under CA in practice
(2) Private tutorship
(3) Part time tutor ship under Coaching Organizing by Institute
(4) Attending classes & appearing for any examination
(5) Authorship of books or articles.
(6) Editorship of professional journals
(7) Holding public elective offices such as MP, MLA
(8) Honorary office leadership of charitable, educational or other non commercial organization
(9) Acting as a Notary Public, Justice of the peace etc.
(10)Acting as a Surveyor and loss Assessor under Insurance Act, 1938
(11) Valuation of papers, paper setter, head examination or a moderator of any examination.

Specific & prior permission is required
(1) Full time or part time employment in business concern provided he or his relative do not hold substantial interest
(2) Full time or part time employment in non business concerns
(3) Managing director or a whole time director of body corporate. [Not permissible if he or his relatives or partners hold substantial interest]
(4) Interest in educational institution

(5) Part time or full time lectureship for course other than those relating to the Institution's examination
(6) Part time or full time tutorship under any educational institution
(7) Editorship of journals other than professional
(8) Interest in family business concern where interest is acquired as a results of relationship or interest in agricultural and allied activities.

- **Corporate Forms of Practice:**

The council allow member in practice to render Management Consultancy & other services in Corporate Form subject to guidelines issued by ICAI

- **Now, the member in practice can hold office of MD, WTD or a Manager of a body corporate provided that body corporate is engaged in rendering Management Consultancy other services permitted u/s 2(2)(iv) & compile with the conditions as specified**

(1) The Management Consultancy Company has a distinct name which shall be approved by ICAI
(2) The MCC shall neither be permitted to advertise or use LOGO
(3) It will necessary for MCC to comply with following ethical requirement
- If the individual or sole proprietorship or partnership is statuory auditor then MCC should not accept the internal audit or book keeping or such other professional assignment, which are prohibited for the statutory auditor
- The notification in respect of ceiling on Audit fees is also applicable to MCC
- MCC shall give an undertaking that it shall comply clause (6) & (7) of Part-I of First Schedule of CA Act, 1949

PART II of FIRST SECHEDULE

A CA**, being an employee of any company**, shall be deemed to be guilty of professional misconduct if he -

Clause	*Particulars*
01	**Pays or Allow or agrees to pay,** directly or indirectly, to **any person any share** in the **emoluments of the employment undertaken** by him.
02	**Accepts or agrees to accept**, any part of fees, profits or gains from **Lawyer, CA or Broker engaged by such company**, Firm or person, or agent or customer of such Company, Firm or person, **by way of commission or gratification**. [Nov.00]

PART III of FIRST SECHEDULE

A CA, **whether in practice or being an employee of any company**, shall be deemed to be guilty of professional misconduct if he -

Clause	*Particulars*
01	**Not being a fellow** of the Institute, acts as a **Fellow of the Institute.**
02	**Does not supply the information** called for, or does not comply with the requirements asked for by the Institute, Council or any of its Committee, Directors (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority**.[**May 00]
03	While inviting professional **work from another CA** or **while responding to tenders or** enquires or while advertisement through a write up, or anything as provided for in Clauses (6) & (7) of Part I of First Schedule, **gives information knowing it to be false.**

PART I of SECOND SECHEDULE

A **CA in practice** shall be deemed to be guilty of professional misconduct if he -

Clause	*Particulars*
01	**Discloses information** acquired in the courses of his professional engagement to any person other than his clients engaging him, **without the consent of his client**, or otherwise than as required by any law for the time being force.
02	**Certificates or submits in his name** or in the name of his Firm, **a Report of an examination of the Financial Statements**, unless the examination of such statements and related records has been made by him, or by a Partner, or an employee in his Firm, or by another CA in practice.
03	**Permit his name** or the name of his Firm **to be used in connection with an estimate of earnings contingent upon future transaction** in a manner, which may lead to the belief that he vouches for the accuracy of the forecast.
04	**Expresses his opinion** on Financial Statements of any business or any enterprise in which he, his firm or a Partner **in his Firm has a substantial interest**.
05	**Fails to disclose a material fact** known to him which is not disclosed in a Financial Statements, but **disclosed of which is necessary** in making such Financial Statements, where he is concerned with that Financial Statement in a Professional capacity.
06	**Fails to report a material mistake** known to him to appear in a Financial Statement with which he is concerned on a professional capacity
07	**Does not exercise Due Diligence**, or is grossly negligent in the conduct of his professional duties.
08	**Fails to obtain sufficient information which is necessary for the expression of an opinion** or its exceptions are sufficient material to negate the expression of an opinion.
09	**Fails to invite attention** to any material departure from the generally accepted procedure of audit applicable to the circumstance.
10	**Fails to keep money of his clients** other than Fees, or Remuneration, or money meant to expended, **in separate banking account** or to use such money for purposes for which they are intended within a reasonable time.

PART II of SECOND SECHEDULE

A CA shall be deemed to be guilty of professional misconduct if he **-**

Clause	**Particulars**
01	**Contravenes any of the provisions of this Act or the regulations** made there under or any guidelines issued by the Council.
02	Being an employee of any company, firm or person **discloses confidential information acquired in the course of his employment except** as and when required by law for the time being force or except as permitted by the employer**.**
03	Includes in **any information, statement,** return or form to be submitted to the institute Council or any of its committees, Director, Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority any particulars knowing **them to be false.**
04	**Defalcates or embezzles** money received in **his professional capacity.**