ANNOUNCEMENT

(For Mandatory compliance in terms of Clause (2) Part III of The First Schedule to the Chartered Accountants Act, 1949)

Indian CA firms having tie-up/affiliation with international entities/network

The Council of the Institute had recently considered the draft Report on Operation of Multinational Network Accounting Firms in India, which inter alia, was based on examination of documents/details provided by many CA firms registered with ICAI and having tie-up/affiliation with international entities/network and the relevant provisions of the Chartered Accountants Regulations, 1988. While considering the aforesaid draft report, the Council noted that announcements had been in the past hosted by the Institute in its website in June, 2009 and again in April, 2010, besides publishing the same in the July, 2009 issue of the journal, 'The Chartered Accountant' requiring all the Indian CA firms having tie-up/affiliation with international entities/network to furnish the following documents/details to the Institute:

(1) Agreement/contract with the multinational entity
(2) Terms and conditions for usage of name of multinational entity
(3) Arrangement for sharing of fees/profit with other Indian CA firms with similar/identical name and with the multinational entity
(4) Arrangement for sharing of human resources and infrastructure with other Indian CA firms with similar/identical name and with the multinational entity
(5) Details of remittances made to and received from the multinational entity
(6) Partnership deed (as on vogue in the last 5 years)
(7) Income-tax assessment orders for the last 3 years. If assessment orders have not been received, then they may submit computation of income and copies of returns, and
(8) Copies of letterheads and visiting cards generally used.

The Council further noted that pursuant to the above announcement, while many CA firms concerned had responded by sending the documents however, there could still be some CA firms which might be having tie-up/affiliation with international entities/network, but have not disclosed the same to the Institute and thus have not submitted the required documents/details.

The Council, therefore, decided that suitable announcement be hosted in the website of the Institute once again, besides publishing the same in 'The Chartered Accountant' and the newsletters of the Regional Councils, so that the firms which have till now not responded is given a last and final opportunity. The Council also decided that in case on a later date, the Institute comes to know of any firms which have international tie-up/affiliation, but yet had not come forward to disclose the same and submit the documents/details called for, then necessary action under the provisions of the Chartered Accountants Act, 1949 be taken against them.

Accordingly, this announcement is published with a request that the CA firms which have till now not responded to the earlier announcements on the subject, now submit the documents/details to the below-mentioned officer of the Institute at the following address at the earliest, and thus comply with the requirements asked for by the Institute:

G. Ranganathan
Deputy Secretary
The Institute of Chartered Accountants of India
ICAI Bhawan
C-1, Sector 1,
Noida – 201 301.
Tel.: 0120-3054 823
Mobile.: 093507 99933, Email: ranga@icai.org

(T. KARTHIKEYAN)
Secretary, ICAI, New Delhi