[PUBLISHED IN GAZETTE OF INDIA, EXTRAORDINARY, PART III SECTION 4 DATED 3RD DECEMBER, 2008]

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

NOTIFICATION

New Delhi, dated 2nd December, 2008

No.1-CA(7)/123/2008. – Whereas the following draft of certain regulations further to amend the Chartered Accountants Regulations, 1988, were published by the Institute of Chartered Accountants of India, as required under sub-section (3) of section 30 of the Chartered Accountants Act, 1949 (38 of 1949) at pages 1 to 18 of the Gazette of India, Part III, section 4, dated the 1st September, 2008 in the notification of the Institute of Chartered Accountants of India No. 1-CA(7)/123/2008 dated 1st September, 2008;

And whereas objections and suggestions were invited before the expiry of a period of forty five days from the date on which the copies of the said Gazette were made available to the public;

And whereas the said Gazette was made available to the public on 3rd September, 2008;

And whereas no objection or suggestion or comment was received from any person with respect to the said draft notification and that the matter has been considered by the Council of the Institute of Chartered Accountants of India;

Now, therefore, in exercise of the powers conferred by sub-section (1) read with sub-section (3) of section 30 of the said Act, the Council, with the approval of the Central Government, hereby makes the following amendments in the Chartered Accountants Regulations, 1988, namely:-

1. (1) These regulations may be called the Chartered Accountants (Second Amendment) Regulations, 2008.

   (2) They shall come into force on the date of their final publication in the Official Gazette.

2. In the Chartered Accountants Regulations, 1988, –

(i) after regulation 28C, the following Regulation shall be inserted, namely:-

"28D. Enrolment for Integrated Professional Competence Course and Fees. – (1) The study course for the chartered accountancy candidates shall be named as Integrated Professional Competence Course, which shall be composed of three levels viz. Group I, Accounting Technician (optional) and Group II. A candidate may opt for enrolment to Group I or Group I and Accounting Technician or Accounting Technician and/or Group II or Group I and Group II or for all the levels referred to above in this regulation.

(2) No candidate shall be eligible for enrolment to any of the level(s) of the Integrated Professional Competence Course unless he has passed the Common Proficiency Test

held under these regulations and Senior Secondary Examination (10+2 examination) conducted by an examining body constituted by law in India or an examination recognised by the Central Government as equivalent thereto:

Provided that a candidate who has passed Entrance Examination or Foundation Examination or Professional Education (Examination-I) under these regulations shall be eligible for enrolment to Integrated Professional Competence Course subject to such conditions as may be specified by the Council:

Provided further that a candidate who was already registered for erstwhile Intermediate Examination as per syllabus under paragraph 2 or 2A of Schedule B or of Professional Education (Course-II) under sub-regulation (1) of regulation 28A or Professional Competence Examination under regulation 28C of these regulations shall be eligible for enrolment/conversion to Integrated Professional Competence Course subject to such conditions as may be specified by the Council.

(3) A candidate shall pay such fee for enrolment to Integrated Professional Competence Course as may be fixed by the Council which shall not exceed rupees twelve thousand along with his application in the Form as may be approved by the Council.

28E. Admission to Integrated Professional Competence Examination, fees and syllabus

[Applicable to candidates appearing in Integrated Professional Competence Examination under the syllabus as may be specified by the Council under sub-regulation (3) of this regulation.]

(1) No candidate shall be admitted to Integrated Professional Competence Examination unless –

(a) he is enrolled for the relevant level(s) of the Integrated Professional Competence Course; and

(b) he produces a certificate to the effect that he has undergone a study course, for a period not less than nine months, as may be specified by the Council for the relevant level(s), as on the first day of the month in which the examination is held, in the manner as may be specified by the Council from time to time; and

(c) he has completed a course on Information Technology Training or Computer Training Programme for such period and in such manner and within such time as may be specified by the Council from time to time.

(2) A candidate for the Integrated Professional Competence Examination shall pay such fee, as may be fixed by the Council, which shall not exceed rupees ten thousand.

(3) A candidate for the Integrated Professional Competence Examination shall be examined as per the syllabus as may be specified by the Council from time to time.

(4) Notwithstanding anything contained in these regulations, the Council may at any time after the commencement of enrolment to Integrated Professional Competence

Course discontinue holding of Professional Competence Examination under the syllabus as specified by the Council under sub-regulation (3) of regulation 28C and require the candidates to pass, in such manner as may be specified by the Council from time to time, Integrated Professional Competence Examination as per the syllabus specified by the Council under sub-regulation (3) above.";

(ii) after regulation 29B, the following regulation shall be inserted, namely:-

"29C. Admission to Final Examination

[Applicable to candidates appearing in Final Examination under the syllabus as may be specified by the Council under regulation 31(i), (ii) and (iii)]

(1) No candidate shall be admitted to the Final Examination unless he has passed, –

(i) Professional Competence Examination in its entirety held under these regulations; and

(ii) completed the practical training as is required for admission as a member on or before the last day of the month preceding the month in which the examination is held:

Provided that a candidate who has passed Professional Education (Examination-II) under the syllabus as specified by the Council under sub-regulation (5) of regulation 28B and has completed the practical training as is required for admission as a member on or before the last day of the month preceding the month in which the examination is held or has been serving the last twelve months of practical training including excess leave, if any, on the first day of the month in which the examination is held, shall be admitted to the Final examination.

(2) Notwithstanding anything contained in sub-regulation (1) above, a candidate who has passed the Professional Competence Examination from out of the category of candidates covered under second proviso to sub-regulation (1) of regulation 28C or Integrated Professional Competence Examination under the syllabus as may be specified by the Council under sub-regulation (3) of regulation 28E or the Intermediate Examination under these Regulations or Intermediate Examination under the Chartered Accountants Regulations, 1964 or the Intermediate or the first examination under the Chartered Accountants Regulations, 1949, or was exempted from passing the first examination under those regulations shall be admitted to the Final examination provided he has completed the practical training as is required for admission as a member on or before the last day of the month preceding the month in which the examination is held or has been serving the last six months of practical training including excess leave, if any on the first day of the month in which the examination is held.

Explanation. – In computing the aforesaid period of six or twelve months, leave taken in excess of one-sixth of the actual period served subject to a maximum of days, as may be determined by the Council, shall be regarded as the period required to be served under articled or audit service, as the case may be.";

(iii) in regulation 31, after item (ii), the following item shall be added, namely:-

"(iii) as per the syllabus specified by the Council from time to time after commencement of enrolment to Integrated Professional Competence Course.";

(iv) after regulation 37B, the following regulation shall be inserted, namely:-

"37C. Requirements for passing Integrated Professional Competence Examination

[Applicable to candidates appearing in Integrated Professional Competence Examination under the syllabus as may be specified by the Council under sub-regulation (3) of regulation 28E]

(1) A candidate may appear in Group I or Group II level(s), separately or simultaneously or in a Unit comprising of a set of papers of Group I and / or Group II.

(2) A candidate, other than a candidate who has opted for Accounting Technician level, shall ordinarily be declared to have passed the Integrated Professional Competence Examination, if he –

(a) completes the Orientation Course for such period and in such manner and within such time as may be specified by the Council from time to time; and
(b) passes in both Group I and Group II levels.

(3) A candidate, who has opted for the Accounting Technician level, shall be declared to have passed in that level, if he –

(a) passes in Group I level;
(b) completes the Orientation Course for such period and in such manner and within such time as may be specified by the Council from time to time; and
(c) completes the practical work experience in accounting and related fields for a period not less than twelve months in such manner as may be specified by the Council from time to time:

Provided that a candidate, who has passed either the Professional Competence Examination under the syllabus as per the sub-regulation (3) of Regulation 28C or Professional Education (Examination-II) under the syllabus as per sub-regulation (5) of Regulation 28B of these regulations or Intermediate Examination under these regulations or the Chartered Accountants Regulations, 1964 or Intermediate or the first examination under the Chartered Accountants Regulations, 1949 or was exempted from passing the first examination under that regulation and has completed the prescribed period of practical training as was required for admission as a member, shall be eligible for grant of Accounting Technician Certificate on making an application to this effect and on compliance with such other conditions as may be specified by the Council from time to time.

(4) A candidate shall ordinarily be declared to have passed in both the groups simultaneously, if he –

(a) secures at one sitting a minimum of 40 per cent. marks in each paper of each of the groups, viz., Group I and Group II levels, and minimum of 50 per cent. marks in the aggregate of all the papers of each of the groups; or

(b) secures at one sitting a minimum of 40 per cent. marks in each paper of both the groups, viz., Group I and Group II levels, and a minimum of 50 per cent. marks in the aggregate of all the papers of both the groups taken together.

(5) A candidate shall be declared to have passed in Group I level or Group II level or unit, as the case may be, if he secures at one sitting a minimum of 40 per cent. marks in each paper of the group / unit and a minimum of 50 per cent. marks in the aggregate of all the papers of that group / unit.

(6) A candidate, who has passed in any one but not in both the groups either of the Professional Competence Examination under the syllabus as specified by the Council under sub-regulation (3) of the regulation 28C or Professional Education (Examination-II) under the syllabus as specified by the Council under sub-regulation (5) of regulation 28B effective from October, 2001, the examination for which commenced from November, 2002 or of the Intermediate Examination as per syllabus under paragraph 2A of Schedule `B' to the Chartered Accountants Regulations, 1988, shall be eligible for exemption in the corresponding paper or papers, if the corresponding paper(s) exists in the new syllabus as may be specified by the Council.

(7) The Council may frame guidelines to continue to award exemption in a paper or papers to a candidate, granted earlier in the Professional Education (Examination-II) under the syllabus as specified by the Council under the syllabus as specified by sub-regulation (5) of regulation 28B or in the Professional Competence Examination under the syllabus as specified by sub-regulation (3) of regulation 28C for the unexpired chance or chances of the exemption in the corresponding paper or papers, as may be specified by the Council, in which he has secured exemption if the corresponding paper exists or papers exists in the new syllabus as may be specified by the Council. On appearing in the examination of the corresponding paper or papers in which he had failed, he shall be declared to have passed the examination if he secures at one sitting a minimum of 40 per cent. marks in the corresponding paper or papers in which he had failed earlier and a minimum of 50 per cent. marks in the aggregate of all the papers of the group including the marks of the paper or papers in which he had earlier been granted exemption by the Council.

(8) Notwithstanding anything contained in sub-regulations (1) to (7) above, a candidate who has appeared in all the papers comprised in a group / unit and fails in one or more papers comprised in a group / unit but secures a minimum of 60 per cent of the marks in any paper or papers of that group shall be eligible to appear at any one or more of the immediately next three following examinations in the paper or papers in which he secured less than 60 per cent. marks. He shall be declared to have passed in that group / unit if he secures at one sitting a minimum of 40 per cent. marks in each of such papers and a minimum of 50 per cent. of the total marks of all papers of that group / unit including the paper or papers in which he had secured a minimum of 60 per cent. marks in the earlier examination referred to above. He shall not be eligible for any further exemption in the remaining paper(s) of that group / unit until he has exhausted the exemption already granted to him in that group / unit.";

(v) after regulation 38B, the following regulation shall be inserted, namely:-

"38C. Requirements for Passing the Final Examination

[Applicable to candidates appearing in Final Examination under the syllabus as may be specified by the Council under regulation 31(ii) and (iii)]

(1) A candidate may appear in both the groups simultaneously or in one group in one examination and the remaining group at any subsequent examination and shall ordinarily be declared to have passed the Final Examination if he passes in both the groups.

(2) A candidate shall ordinarily be declared to have passed in both the groups simultaneously, if he –

(a) secures at one sitting a minimum of 40 per cent. marks in each paper of each of the groups and minimum of 50 per cent. marks in the aggregate of all the papers of each of the groups; or

(b) secures at one sitting a minimum of 40 per cent. marks in each paper of both the groups and a minimum of 50 per cent. marks in the aggregate of all the papers of both the groups taken together.

(3) A candidate shall be declared to have passed in a group if he secures at one sitting a minimum of 40 per cent. marks in each paper of the group and a minimum of 50 per cent. marks in the aggregate of all the papers of that group.

(4) A candidate who has passed in any one but not in both the groups of the Final Examination under the syllabus as specified by the Council under items (i) and (ii) of regulation 31 or of the Final Examination as per syllabus under paragraph 3 or 3A of Schedule `B' to the Chartered Accountants Regulations, 1988 or paragraph 3 of Schedule 'BB' to the Chartered Accountants Regulations, 1964 (two groups scheme after January 1, 1985) enforced at the relevant time shall be eligible for exemption in that particular group and shall be required to appear and pass in the remaining group in order to pass the Final Examination.

(5) The Council may frame guidelines to continue to award exemption in a paper or papers to a candidate, granted earlier under the syllabus as specified under items (i) and (ii) of regulation 31 for the unexpired chance or chances of the exemption in the corresponding paper or papers for the paper or papers in which he had secured exemption, if the corresponding paper or papers exists in the new syllabus of the Final Examination as may be specified by the Council. On appearing in the examination of the corresponding paper or papers for the paper or papers in which he had failed, he shall be declared to have passed the examination if he secures at one sitting a minimum of 40 per cent. in the corresponding paper or papers for the paper or papers in which he had failed earlier and a minimum of 50 per cent. marks in the aggregate of all the papers of the group including the marks of the paper or papers in which he had earlier been granted exemption by the Council.

(6) Notwithstanding anything contained in sub-regulations (1) to (5) above, a candidate who has appeared in all the papers comprised in a group and fails in one or more papers comprised in a group but secures a minimum of 60 per cent of the marks in any paper or papers of that group shall be eligible to appear at any one or more of the immediately next three following examinations in the paper or papers in which he secured less than 60 per cent. marks. He shall be declared to have passed in that group if he secures at one sitting a minimum of 40 per cent. marks in each of such papers and a minimum of 50 per cent. of the total marks of all papers of that group including the paper or papers in which he had secured a minimum of 60 per cent. marks in the earlier examination referred to above. He shall not be eligible for any further exemption in the remaining paper(s) of that group until he has exhausted the exemption already granted to him in that group.";

(vi) for regulation 40, the following regulation shall be substituted, namely:-

"**40. Examination Certificates**. – A candidate passing the Professional Education (Examination-II), Professional Competence Examination, Integrated Professional Competence Examination, Accounting Technician level, or Final examination shall be granted a certificate to that effect in the Form approved by the Council.";

(vii) for regulation 45, the following regulation shall be substituted, namely:-

"**45. Admission to Articleship**. – (1) A member engaging articled assistants shall before accepting a person as an articled assistant satisfy himself that –

(a) he is entitled to train articled assistants under regulation 43, and his professional practice or that of his employer, if he is an employee of chartered accountant in practice or a firm of such chartered accountants, is suitable for the purpose of training articled assistants; and;

(b) such a person –

(i) has passed Professional Education (Examination-II) or has passed Group I level or Accounting Technician level of Integrated Professional Competence Examination held under these regulations; and

(ii) has successfully completed computer training programme or Information Technology Training as may be specified from time to time by the Council and in the manner so specified.

(2) Notwithstanding anything contained in sub-regulation (1) above, a candidate who has passed Common Proficiency Test held under these regulations and also 10+2 examination conducted by an examining body constituted by a law in India or an examination recognised by the Central Government as equivalent thereto; or has passed the Entrance Examination or Foundation Examination or Professional Education (Examination-I) under these regulations shall be eligible for admission to articleship until the commencement of the enrolment to Integrated Professional Competence Course or till such time as the Council may decide:

Provided that a candidate who was registered as an articled assistant before the commencement of the enrolment to Integrated Professional Competence Course shall be eligible to continue and complete the remaining period of practical training as per the deed of articles already executed under these regulations irrespective of any break in the continuity of training:

Provided further that a candidate who has passed Professional Education (Examination-II) at the time of commencement of enrolment to Integrated Professional Competence Course may join three years articleship upto such time as may be specified by the Council.";

(viii) in regulation 50, the following proviso shall be added at the end, namely:-

"Provided also that a candidate enrolled for the Integrated Professional Competence Course shall be eligible to three years articleship on his passing the Group I level or Accounting Technician level of the Integrated Professional Competence Examination."

Sd/-
T. Karthikeyan,
Acting Secretary.

Note: The principal regulations were published in the Gazette of India, Extraordinary, dated the 1st June, 1988 vide number 1-CA(7)/134/88 dated 1st June, 1988 and subsequently amended by the following numbers:-

(i) Notification No.1-CA(7)/1/89 published in the Gazette of India dated 7th October, 1989

(ii) Notification No.1-CA(7)/10/90 published in the Gazette of India dated 19th January, 1991

(iii) Notification No.1-CA(7)/11/90 published in the Gazette of India dated 19th January, 1991

(iv) Notification No.1-CA(7)/12/91 published in the Gazette of India dated 23rd February, 1991

(v) Notification No.1-CA(7)/13/90 published in the Gazette of India dated 2nd February, 1991

(vi) Notification No.1-CA(7)/19/92 published in the Gazette of India dated 7th March, 1992

(vii) Notification No.1-CA(7)/28/95 published in the Gazette of India dated 19th August, 1995

(viii) Notification No.1-CA(7)/30/95 published in the Gazette of India, Extraordinary dated 13th March, 1996

(ix) Notification No.1-CA(7)/31/97 published in the Gazette of India dated 16th August, 1997

(x) Notification No.1-CA(7)/44/99 published in the Gazette of India dated 26th February, 2000

(xi) Notification No.1-CA(7)/45/99 published in the Gazette of India dated 26th February, 2000

(xii) Notification No.1-CA(7)/51/2000 published in the Gazette of India, Extraordinary dated 17th August, 2001

(xiii) Notification No.1-CA(7)/59/2001 published in the Gazette of India, Extraordinary dated 28th September, 2001

(xiv) Notification No.1-CA(7)/64/2002 published in the Gazette of India, Extraordinary dated 31st March, 2003

(xv) Notification No.1-CA(7)/64A/2003 published in the Gazette of India, Extraordinary dated 4th December, 2003

(xvi) Notification No.1-CA(7)/83/2005 published in the Gazette of India, Extraordinary dated 28th July, 2005

(xvii) Notification No.1-CA(7)/84/2005 published in the Gazette of India dated 17th June, 2006

(xviii) Notification No.1-CA(7)/92/2006 published in the Gazette of India, Extraordinary dated 13th September, 2006

(xix) Notification No.1-CA(7)/102/2007(E) published in the Gazette of India, Extraordinary dated 17th August, 2007

(xx) Notification No.1-CA(7)/116/2008 published in the Gazette of India, Extraordinary dated 25th September, 2008