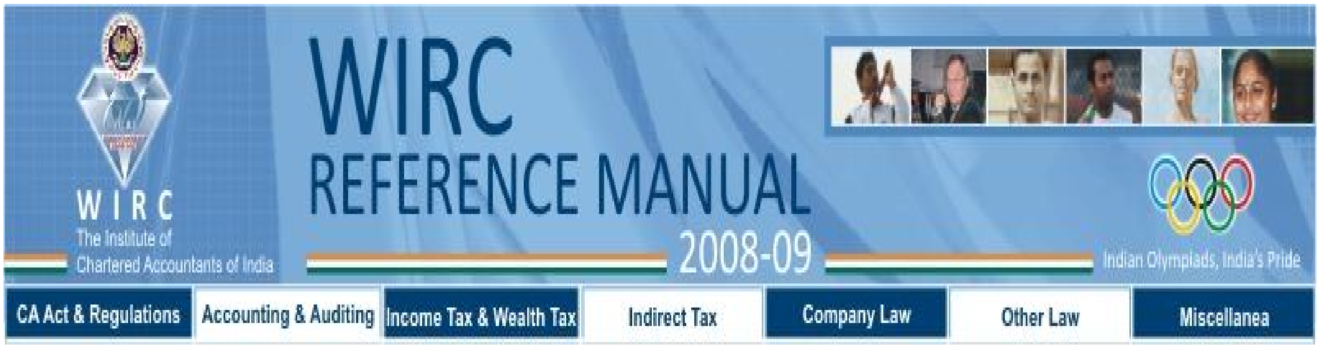

I — THE CHARTERED ACCOUNTANTS ACT & REGULATIONS

THE CHARTERED ACCOUNTANTS ACT AND REGULATIONS

THE CHARTERED ACCOUNTANTS ACT, 1949 (THE ACT)

It is an Act enacted by Parliament w.e.f. 1st July 1949 — as amended by Chartered Accountant (Amendment) Act, 2006 for the regulation of the profession of Chartered Accountancy in India. The regulation is exercised through the Institute of Chartered Accountants of India. For the management of the affairs and for discharging the functions assigned to it by the Act, there is a Council of the Institute.

The Act has eight chapters, which deal with provisions relating to membership of the Institute, Council and Regional Councils, misconduct, penalties, power to make various regulations etc.

The Act also has two Schedules relating to professional misconduct.

THE CHARTERED ACCOUNTANTS REGULATIONS, 1988

By virtue of Section 30 of the Chartered Accountants Act, 1949, the Council of the Institute has made regulations, which are called the Chartered Accountants Regulations, 1988. The same came into force from 1st June, 1988 and have been amended from time to time. Some of the important regulations relevant for members and students are given hereinbelow:

ENROLMENT AS MEMBER (SECTIONS 4 & 8, REGULATION 4)

Eligibility Criteria

The applicant should have:

a. Completed the prescribed period of practical training (3 years in case of PE-II & 3½ years in case of CPT or PE-I students)

b. Passed the final C.A. Examinations;

c. Has attained twenty one years of age

d. Undergone course on General Management and communication skills (Applicable to candidates passing Both Groups of Final C.A. Examinations held in May 2003 and thereafter).

ELIGIBILITY TO TRAIN ARTICLED ASSISTANTS (AS PER THE REVISED REGULATIONS)

The Chartered Accountants Regulations, 1988 with regard to the eligibility to train the articled assistants has been amended vide Notification dated 17th August, 2007. (Refer September 2007 issue of the CA Journal). As per the amended Regulations, the eligibility of practising member to train articled assistant/s is as under.

TABLE-I

(Applicable to members practising the profession of chartered accountants in his individual name or as proprietor or as partner)

Category	Period of continuous practice	Entitlement of articled assistant or assistants
(i)	An associate or fellow in continuous practice for a period up to 3 years.	1
(ii)	An associate or fellow in continuous practice for any period from 3 years to 5 years.	2

(iii)	An associate or fellow in continuous practice for any period from 5 years to 10 years.	7
(iv)	An associate or fellow in continuous practice for any period from 10 years.	10

TABLE-II

(Applicable to members who are in full time salaried employment under a chartered accountant in practice or a firm of such chartered accountants)

Category	**Number of full time salaried employees — irrespective of whether associate or fellow**	**Entitlement of articled assistant or assistants**
(i)	Up to 100	1 per employee
(ii)	Between 101 and 500	100 +50% of such employees above 100 (i.e., a maximum of 300)
(iii)	From 501 or more	300+20% of the number of such employees above 500

Stipend payable would be as under:

	Classification of the normal place of the service of the articled assistant	**During the first year of training**	**During the second year of training**	**During the remaining period of training**
(i)	Cities/towns having a population of twenty lakhs and above	Rs. 1000	Rs. 1250	Rs. 1500
(ii)	Cities/towns having a population of above four lakhs but less than twenty lakhs	Rs. 750	Rs. 1000	Rs. 1250
(iii)	Cities/towns having a population of less than four lakhs	Rs. 500	Rs. 750	Rs. 1000

For detailed guidelines, please refer the Notification dated 17th August, 2007.

Practical Training Record (Regn. 64)

A weekly record of practical training of the Articled/Audit Clerks is required to be maintained, specifying the areas in which the articled clerk has obtained work experience and a report of the practical training is to be enclosed with Form 108/109, in cases of completion/termination.

CODE OF ETHICS — Salient provisions

A Chartered Accountant in practice is **PROHIBITED:**

- to pay commission/brokerage or share of profits of his professional business to/with any person other than a member of the Institute.
- from soliciting clients or professional work by circular, advertisement etc. except for advertisement as per the guidelines dt.14th May, 2008 issued by the Council
- from auditing the accounts of such business concerns in which he, his firm or a partner in his firm has a substantial interest.
- from being Director of a Holding Company in whose subsidiary he is the auditor.

- from responding to advertisements inviting application for appointment of auditors, tenders or circulars or enquiry (made to more than one member) inviting quotation restricted to CA.

However members can respond to tenders in the areas where they compete with non CAs. They can also respond to tenders in the audit field outside the country provided the fees are received in foreign currency. The members are permitted to pay a reasonable amount as price for tender/bid document. In general no earnest money / security deposit is permissible in areas which are exclusive to Chartered Accountants as per Law. However, in non-exclusive area the members are permitted to pay earnest money/security deposit. If only Chartered Accountants are invited in non-exclusive area, the members are permitted to pay reasonable amount towards earnest money/security deposit.

A Chartered Accountant in practice **CANNOT:**

- Use any designation other than Chartered Accountant on professional documents, visiting cards, letterheads or signboard. The Council has decided that a member of the institute shall not be permitted to use initials "CPA" (standing for Certified Public Accountant) on his visiting card.
- Charge fees on a percentage of profits or which are contingent upon the findings, or results of such work provided that.

    a. In the case of a receiver or a liquidator, the fees may be based on a percentage of the realisation or disbursement of the assets.

    b. In the case of an auditor of a co-operative society the fees may be based on a percentage of the paid up capital or the working capital etc.

    c. In the case of a valuer for the purposes of direct taxes and duties, the fees may be based on a percentage of the value of the property valued.

- Engage in any business other than the profession of chartered accountants unless permitted by the Council.
- Accept position as auditor previously held by another chartered accountant without first communicating with him in writing.
- Accept a position as auditor previously held by some other CA in such conditions as to constitute undercutting.
- Accept any other work/assignment/service on a remuneration, which exceeds the fees payable for statutory audit of the same undertaking. *(Applicable only in respect of statutory audits of public sector undertaking/Govt. Companies/Listed companies/other public companies with turnover of Rs. 50 crores or more in a year for appointments after 1st April, 2002 — Ref: Notification No. 1-CA(7)/60/2002 published in CA Journal-March, '02 issue).*
- Accept or carry out any audit work involving receipt of audit fees (excluding reimbursement of expenses, if any) for such work of an amount less than what is specified hereunder:— *(notification No.1-CA(7)/93/2006 published in CA journal on page 652 of October, '06 issue):*

Cities	Practising firm having 5 or more partners but less than 10 partners	Practising firm having 10 or more partners
(i) in cities with population of 3 million and above.	Rs. 6,000/- p.a	Rs. 12,000/- p.a
(ii) in cities /towns with population of less than 3 million	Rs. 3,500/- p.a.	Rs. 8,000/- p.a.

Provided that such restrictions shall not apply in respect of the following:

i. Audit of accounts of charitable institutions, clubs, provident funds etc. where the appointment is honorary; i.e., without fees;

ii. statutory audit of branches of banks including regional rural banks;

iii. audit of newly formed concerns relating to two accounting years from the date of commencement of their operations;

iv. certification or audit under Income-Tax Act or other attestation work carried out by the Statutory Auditor;

v. Sales Tax Audit and VAT Audit

A Chartered Accountant should not accept appointment as an auditor of an entity in case the undisputed audit fees of outgoing auditor for carrying out statutory audit has remained unpaid. This is not applicable in case of sick units.

Firm of CAs cannot accept more than 30 tax audits per partner and member in practice cannot accept more than 30 tax audits.

They should maintain record of Tax audit assignments as per format given on page 1127 of ICAI Journal May 2003 issue.

THE CHARTERED ACCOUNTANTS ACT AND REGULATIONS

A Chartered Accountant in practice **CAN**

1. Share profits of business or other similar arrangements with certain categories of non-members, to be prescribed, from time to time, in the Regulations.

2. Enter in to multi–disciplinary partnership, in or outside India, with certain categories of non-members, to be prescribed, from time to time, in the Regulations.

3. The members can use the Logo(released by the Institute on 1st July 2007) which consists of the letters 'CA' and a tick mark upside down inside a rounded rectangle with white background.(members can use this Logo as per Institute's guideline available on its website/Refer The CA Journal July 2007).

4. Advertise through a write up setting out their particulars or of their firms and services provided by them subject to the Guidelines No.1–CA(7)/council guidelines/01/2008,Dated 14th May, 2008 issued by the Council pursuant to Clause (7) of Part I of the First Schedule to the Chartered Accountants Act,1949.(Refer The CA Journal July,2008 for the detailed guidelines).

5. Give his name and his firms name under specified groups in telephone directory viz., Yellow Pages brought by telephone authorities.

6. Use the designation 'C.A.' as well as the name of the firm in greeting cards and invitation cards.

7. Be a director simpliciter in a company without permission of the Council.

8. Be a promoter director in a company without prior permission of the Council.

9. Render Management Consultancy and Other Services in Corporate form, subject to the guidelines issued by the Institute in this regard. (Decision in the 261st Council meeting. Published on page 629 of October 2006 issue of C.A. Journal).

10. Create his own website subject to overall guidelines laid down by the Council and should ensure that their websites are run on a **"pull"** and not **"push"** method.

11. The members of ICAI who are also members of AICPA and are eligible to sign the financial statements as CPAs (i.e., as members of the AICPA), may do so. So far as ethical standards are concerned, the ICAI ethical standards will apply. When the ICAI members sign the financial

documents as CPAs, they should indicate in an appropriate manner, that their firm is an Indian accounting firm registered with the Institute of Chartered Accountants of India under the Chartered Accountants Act, 1949 (Decision in the 257th Council meeting. Published on page 145 of July 2006 issue of C.A. Journal).

SELF REGULATORY MEASURES

1. Branch Audits of a Company not to be conducted by its statutory auditors consisting of ten or more members but to be entrusted to local firm of auditors consisting of less than 10 members except where accounting records of branches are maintained at the Head Office of the Company or significant operations are carried out at the branch office.

2. Where large Companies desire to appoint firm with less than five partners as joint auditors, the senior audit firms should not object to the same.

3. A practising firm of CAs engaged in audit work should have at least one member for five non-qualified members of the staff, excluding articled clerks, typists, peons and other persons not engaged directly in such professional work.

4. As a good and healthy practice, auditors should make a disclosure of payments received by them for other services through the medium of a different firm or firms in which the said auditor may be either partner or proprietor.

5. To ensure professional independence, fees for audit and other services received by a firm, its partners individually and by any other firm in which a partner or partners are partners, from one or more clients or companies under same management should not exceed 40% of the gross annual fees of firm, other firms and partners referred above. This restriction does not apply in cases where such fees do not exceed Rs. 2 lakhs from the group or where fees relate to audit of government companies or where appointment is made by the Government.

Recommended scale of fee chargeable for the work done by the members of the Institute

The Council of the Institute of Chartered Accountants of India recommends from time to time scale of fees chargeable for the work done by the member of the Institute. Such scale of fees were last revised by the Council at its meeting held in January, 2006, effective from 12th May 2006.

		Between (Rs.)	**And (Rs.)**
1.	For giving expert evidence in courts of law in the Union of India according to professional standing of the witness.	7,500	15,000
		(For each day or part there of spent in attendance and/or traveling).	
2.	Other work a) Statutory Audit, Tax Audit, Internal Audit, Accountancy and Secretarial work. Principal Qualified Assistants Semi-Qualified/Other Assistant	 900 450 150 (Per Hour)	 1,800 900 300 (Per Hour)
	b) Taxation work. Principal Qualified Assistants Semi-Qualified/Other Assistants	 1,500 750 300 (Per Hour)	 3,000 1,500 600 (Per Hour)

	c) Investigation, Management Services or Special Assignment Principal Qualified Assistant Semi-Qualified/Other Assistant	 2,250 1,125 375 (Per Hour)	 4,500 2,250 750 (Per Hour)

Note :

1. Office time spent in travelling would be chargeable. In case of outstation work. Travelling and out of pocket. Expenses would also be chargeable

2. The Council issues for general information the above revised 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 a matter of agreement between member and the client.

CHARTERED ACCOUNTANTS' BENEVOLENT FUND

The Chartered Accountants' Benevolent Fund was established in December, 1962 with the object of providing financial assistance for maintenance, education and other similar purposes to needy persons being members of the Institute of Chartered Accountants of India, their wives, widows, children and dependant relatives. The income from the fund is utilized in giving financial assistance to members and their families in distress.

MEMBER IN PART TIME PRACTICE

- The Council has decided that the members in part time practice shall not be entitled to perform attest function w.e.f. 1-4-2005. The Council in this connection also clarified that the attest function would cover services pertaining to audit, review, certification, agreed upon procedures and compilations as defined in the framework of statements on standard auditing practices and guidance notes on related services published in the July, 2001 issue of the Institute journal. The Council has also decided that a member in practice despite being a partner in firm within India and also employed outside the country may be permitted to undertake attest functions outside India so long as the said member remains outside India and during such stay abroad, his/her status also continues to be "2" in the Institute's record.

- A member who is not entitled to perform attest function shall not be entitled to train the articled assistants.

NETWORK, MERGER, DE-MERGER AMONGST THE FIRMS REGISTERED WITH THE INSTITUTE:

The Council has accepted the report of the study group on capacity building measures of CA firms. The report as accepted has been hosted in the website of the Institute under the title "Capacity building measures 2004". The Council has also decided the rules of network amongst the firms registered with ICAI, rules of merger and de-merger etc. The Council has also decided that while, in the constitution certificate, the actual date(s) of (joining of partner)(s)) the merging firm(s) would continue to be the respective date(s) of joining the merged firm, however, against each such entry the clarificatory words "deemed date of joining" should be mentioned without fail.

PROVISIONS RELATING TO STUDENTS

CA COURSE AT A GLANCE

Under the course, the requirements for becoming chartered accountant are as follows:

i. Enrol with the Institute for Common Proficiency Test after passing Class 10 examination conducted by an examining body constituted by law in India or an examination recognized by the Central Government as equivalent thereto.

ii. Appear in CPT examination after appearing in the 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 and after completion of specified period from the date of registration for CPT with the Board of Studies.

iii. Join PCC, articled training and register for 100 Hours ITT after passing CPT and 10+2 examination.

iv. Undergo 100 Hours ITT on completion of three months of articled training (100 Hours ITT is a 20 days programme @ five hours per day; the training will be treated as part of the practical training).

v. Appear in Professional Competence Examination (PCE) after completing 18 months of Articleship.

vi. Join CA Final course:

- After passing PCE register for Final course with the Board of Studies;
- Collect Study Materials of the Final Course and prepare for Final Examination;
- May undergo General Management and Communication Skills Course while undergoing Final course; and
- Complete articled training of 3½ years.

vii. Appear in Final examination on completion of the practical training on or before the last day of the month preceding the month in which the examination is held.

viii. Pass Final examination and complete GMCS;

ix. Enrol for membership.

COMMON PROFICIENCY TEST (CPT)

Common Proficiency Test is an entry level test for Chartered Accountancy Course. It is a test of four subjects; i.e., Accounting, Mercantile Laws, General Economics and Quantitative Aptitude. This test is of 200 marks. This test is divided into two sessions of two hours each (9.00 a.m. – 11.00 a.m. and 12.30 p.m. - 2.30 p.m.). CPT is an objective type test with negative marking. A student who has passed the 10th standard examination conducted by an examining body constituted by law in India or an examination recognized by the Central Government as equivalent thereto may register for Common Proficiency Test. The qualifying marks is 50%. A student has to remember that CPT is an objective type test with a negative marking for selecting wrong option which will be indicated in the question paper. CPT Examination will be generally conducted two times a year.

PROFESSIONAL COMPETENCE COURSE (PCC)

A student who has passed Common Proficiency Test and Senior Secondary Examination (10+2 examination) conducted by an examining body constituted by law in India or an examination recognized by the Central Government as equivalent thereto may join the Professional Competence Course. Simultaneously, the student will also register for practical training of 3½ years. A student is required to apply in the prescribed Form No. 103 available along with the Prospectus. A student can buy Prospectus remitting Rs. 100 from any of the Offices of the Institute. The Prospectus can also be procured by post from any of the Offices of the Institute on payment of Rs. 140 (Rs. 40 on account of postal charge). The documents are required to be submitted to the appropriate Regional Offices of the Institute based on the location of employer.

- Two copies of Form 103, duly filled-in
- Demand Draft/Payorder of requisite amount
- Necessary supporting documents to be submitted by students who have passed CPT/Professional Education (Course – I); i.e., joining PCC Course with Articleship
- Attested copy of Marksheet/Pass Certificate as proof of Date of Birth
- Attested copies of CPT/Professional Education (Examination – I) marksheet
- Attested copy of 10+2 pass marksheet.

All attestations should be from the Principal under which the student is to be registered for articleship training/Member–in–charge of Training (MIT).

While studying PCC a student has to pursue a course on 100 Hours Information Technology Training (ITT). Board of Studies has accredited various Regional Councils and Branches of the ICAI for conducting 100 Hours ITT. A list is available on the website www.icai.org . The fees will be Rs. 4,000. When a student registers for articled/audit training and PCC with the Institute, automatically he is granted registration for ITT. No separate fee is chargeable for registration of ITT with the Institute. The Board of Studies will offer a set of study modules covering various topics of the ITT which a student should study while undergoing the training. This will be made available along with the study materials.

FINAL

After passing PCE register for Final Course with the Board of Studies, Collect Study Materials of the Final Course and prepare for Final Examination. May undergo General Management and Communication Skills Course while undergoing Final course; and complete articled training of 3½ years. Thereafter appear in Final examination on completion of the practical training on or before the last day of the month preceding the month in which the examination is held. Pass Final examination and complete GMCS Course and enrol for membership.

ARTICLESHIP TRAINING

A student has to undergo articled training along with theoretical education (namely, Professional Competence Course, Final Course) under Regulation 50 of the Chartered Accountants (Amendment) Regulations, 2006. The entire period of practical training can be served with a practising member or it can be served partly with a practising member and partly in an approved industrial establishment as an Industrial Trainee. The period of such industrial training may range between 9–12 months during the last year of the prescribed period of practical training. Only students of Final Chartered Accountancy Course are eligible for Industrial training. A person registered as an articled assistant is entitled to receive a minimum monthly stipend as per the rates specified under the Chartered Accountants Regulations, from time to time. The current minimum rates of monthly stipend payable, depending on the situation of the normal place of services of the articled assistants, are as follows:

	Classification of the normal place of service of the articled assistants	**Stipend payable per month to articled assistant**		
		During the first year of training	**During the second year of training**	**During the remaining period of training**
1.	Cities/Towns having population of 20 lakhs and above	Rs. 1000	Rs. 1250	Rs. 1500
2.	Cities/Towns having population of 4 lakhs and above but less than 20 lakhs	Rs. 750	Rs. 1000	Rs. 1250

3.	Cities/Towns having population of less than 4 lakhs	Rs. 500	Rs. 750	Rs. 1000

LEAVE/WORKING HOURS FOR ARTICLED ASSISTANTS

A trainee earns leave at the rate of one–sixth of the period actually served by him. An articled assistant shall work 35 hours per week. The articled assistant should undergo practical training in accordance with the guidelines of the Institute between 11.00 a.m. and 5:00 p.m. During the period, the articled assistant shall not be permitted to attend colleges/other institutions for graduation or any other course. Every articled/audit assistant shall submit, once in a year, a specific declaration duly countersigned by the Principal to the effect that he is regularly attending training and his college hours do not clash with his articles timings and that no coaching is undertaken by him between 11.00 a.m. and 5.00 p.m. on any working day.

The office hours of the principal for the articled assistants shall not be generally before 9.00 a.m. or after 7.00 p.m.

The normal working hours for the articled assistants shall not start after 11.00 a.m. or end before 5.00 p.m.

If the exigencies or nature of training so warrants, the articled assistant shall work beyond the normal office hours. However, the maximum working hours for the articled assistant should not exceed normally 35 hours in a week excluding the lunch break and in any case or circumstances should not exceed 45 hours per week. In case the articled assistant is required to work beyond 35 hours per week, he is entitled to compensatory leave calculated with reference to the number of completed hours worked over and above 35 hours per week. The principal shall ensure long working hours are not imposed on the article assistants on a regular basis and only in case of exceptional circumstances where time bound work is to be delivered the articled assistants may be required to work longer hours which will still be subject to a maximum of 45 hours per week. The principal shall be free to allow compensatory leave or off hours in lieu of extra working beyond 35 hours.

SECONDMENT/EXCHANGE IN THE CONTEXT OF ARTICLESHIP TRAINING

In order to expose the trainees at large to multi-disciplinary work variety of business situations, the arrangement of secondment under articleship training is provided by which an articled assistant can work under a different member of the Institute. Under the scheme of secondment an articled assistant is shifted to another member who is eligible to train articled assistant or who is eligible to train assistant under the scheme of industrial training. However, a member is not entitled to train more than two such articled assistants under secondment basis. Under the scheme of secondment, the period of training shall not exceed twleve months under a member other than the original MIT/Principal and in aggregate total period of training under secondment shall not exceed 1 year. If the secondment is made under industrial training, the periods served on secondment should not exceed 1 year.

WORK DIARY

It is meant for training records to ascertain progress of the trainees. A format of the Work Diary is given in Annexure III of the Training Guide which includes *inter alia* details of work undertaken and training received and a Summary of the various Training Programmes — professional as well as self-development attended by an articled assistant. This Diary is to be prepared by the trainee and should be confirmed by the MIT/Principal.

DELAYED SUBMISSION OF FORM NO. 103

In case Form No.103 is not submitted to the Institute's Office within 30 days from the date of commencement of training, the procedure laid down by the Council for condonation of delay in submission of forms will apply. Delay fees to be paid

30 days beyond specified period	Rs. 100
31–180 days beyond specified period	Rs. 300
Beyond 181 days	Rs. 1000

Either of the following records may also be sent (if the delay is more than 181 days):

a. Attendance record of the Articled Assistant.
b. Original deed of Articles in Form 102, executed on non-judicial stamp paper.
c. Certified copy of the work diary of the articled assistant.
d. Stipend details with evidence in the form of Bank Pass Book/Statement.

EXCESS LEAVE

An articled assistant who has already completed three years/three & half years of articled service and has taken leave in excess of the period allowed under Regulation 59 is required to serve for a period equivalent to the excess leave taken in order that his training may be completed. For this purpose, a supplementary deed of articles in Form No. 107 should be executed in triplicate with the same employer in continuation of the previous training on a non-judicial stamp paper or special adhesive stamp of the requisite value should be affixed on the form. The supplementary deed in duplicate along with Form 108 for the period already served should be sent so as to reach the office of the Institute within 60 days of the expiry of the normal term of articles.

In case there is a break in the continuity of training and/or there is a change in the employer and/or there is a delay in submission of the papers beyond 60 days, as referred to in the previous paragraph, an agreement in Form No.107 would not be valid. In such a case, a fresh agreement in Form 102 should be entered into and the particulars in Form 103 along with Form No.108 for the period already served, should be sent to the office of the Institute for registration within 30 days of the commencement of training.

A member may be granted an additional vacancy to engage an articled assistant whose normal term of training is over and he (the articled assistant) is found to have taken excess leave which is to be made up by an additional period of articles. It is the duty of the employer in such a case to ensure that the articled assistant completes the period of training under him including the period of excess leave. The benefit of an additional vacancy in such case is given only where it could not have been reasonably anticipated that the articled assistant would have to serve an extra period on account of the excess leave taken. Such additional vacancy may be given to the previous employer or to any other chartered accountant entitled to train articled assistant(s).

INDUSTRIAL TRAINING

Industrial training is a training scheme by which a student can undergo practical training within an industrial undertaking having specified amount of fixed assets or turnover or paid-up share capital. Industrial training can be commenced during the last one year of articleship. Industrial training can be performed in financial, commercial, industrial undertakings with minimum fixed assets of Rs.1 crore; or minimum total turnover of Rs. 10 crore; or minimum paid–up share capital of Rs. 50 lakhs; or such other institutions or organization as may be approved by the Council from time to time. The period of industrial training may range between 9 months to one year. The industrial training shall be received under the member of the Institute. An associate who has been a member for a continuous period of at least 3 years shall be entitled to train one industrial trainee at a time and a fellow shall be entitled to train two industrial trainees at a time. There should be an agreement of industrial training in Form No.104. On satisfactory completion of industrial training by an articled/audit assistant, the associate/fellow member under whom the industrial training is received shall issue a certificate in Form No.105 in respect of the training undergone. It is required to maintain details of work undertaken and training received in the prescribed format.

PURSUANCE OF OTHER COURSE OF STUDIES

With the permission of the Institute a student can pursue one course of study at a time. A student has to submit application in Form No.112 to the appropriate Regional Office of the Institute seeking permission to pursue other course of study within one month of joining the college/ course. The office shall grant permission within one month from the date of receipt of Form No.112. The students currently undergoing graduation or other course under general permission which was given for the articled assistant to pursue graduation course is withdrawn therefore should obtain the permission within six months of issuance of new guidelines. The students shall, however, be permitted to complete the academic session/year currently undergoing and switch over to correspondence courses or institutions where no classes are conducted between 11.00 a.m. and 5.00 p.m. on any working day. The certificate portion in Form No.112 indicating college timings etc. shall be countersigned by the Principal of the college with the seal and stamp of the college and also indicating the telephone number and full address of the college.

In the event of breach of these guidelines and not taking permission as required, the articles already undergone shall be derecognised for such period as the Institute may decide. In case an articled assistant is found not undergoing articles in the manner prescribed, he shall be debarred from appearing in the exam up to 3 consecutive exams besides cancellation of such period of articles. The concerned member who allowed him to be such an articled assistant be subject to punitive action besides withdrawing either partly or fully his eligibility to train articled assistant. In Peer Review, the Reviewer be required to verify whether training is imparted to the articled assistants in the manner prescribed.

IMPORTANT RULES FOR TAKING TRANSFERS (TO BE NOTIFIED)

- No request for termination of articles is entertained from any articled assistant in general and more particularly during the first six months and also during the last twelve months of articles except as provided in the Regulations. In the event of termination, his articles shall not be registered in the same city.
- No request of an articled assistant for termination (transfer) of articleship shall be considered unless his/her working parent(s) is/are transferred from the city/place where the articled assistant is receiving training to another city and a copy of transfer order/proof is submitted to the principal in support thereof. On such termination, the articled assistant concerned shall join articles training in and around the place of posting of his/her parent(s) and shall not re-register articles in the same city or within 50 Kms radius of the city where he/she has undergone articles prior to such termination.
- If the articled assistant is not able to serve the articleship for specified genuine medical reasons thereby opting to discontinue the CA course for a period of at least three months, the termination of articles be permitted, provided that the medical grounds are such that warrant termination of articleship .

PROCEDURE FOR OBTAINING DUPLICATE MARKS SHEET/S

- You are required to provide a request duly signed by you for issue of duplicate marks sheet/s.
- E-mails are not entertained for issue of duplicate marks sheet/s.
- You are required to furnish the following details/documents along with your request.
- Copy/ies of marks sheet/s for which you require duplicate marks sheet/s (if available), which will help us to process your request speedily. In case, you are not in a position to send copy/ies of your marks sheet/s, please furnish your correct Articles Registration Number, Month & Year of appearance and Roll Number for which you require duplicate marks sheet/s.
- A fee of Rs.10/- (Rupees ten only) per duplicate marks sheet should be remitted through Demand Draft in favour of the Secretary, The Institute of Chartered Accountants of India, payable at New Delhi - 110 002. In case you have not received your marks statement within

reasonable time (say 6 weeks of the declaration of result) send a request for duplicate marks statement within two months of the declaration of result, you are not required to pay any fee.

- Your complete postal address for correspondence, telephone number, fax number, etc.

If you furnish a copy of mark statement or correct Articles Registration Number, Month & Year of appearance and roll number, the duplicate mark sheets are issued normally within twenty days of receipt of your request complete in all respects.

FOR CORRECTION IN NAME

In case, if you find any mistake in your name in the mark sheets sent by the Institute, kindly send your original mark sheet for correction in name together with supportive document; i.e., copy of Student Registration letter issued by the respective Decentralised Office of the Institute. It may be noted that the name of a candidate will be shown in the same manner as it appears in Foundation/PE-I or PE-II/Articles Registration Letter issued by the concerned Decentralised Office of the Institute.

PROCEDURE FOR OBTAINING TRANSCRIPTS

You are required to provide a request duly signed by you for issue of Transcripts.

E-mails are not entertained for issue of Transcripts.

You are required to furnish the following details/documents with your request:

- A fee of Rs. 500/- (Rupees five hundred only) for one set of transcript/s (for any one or all examinations viz., Foundation/PE-I, Inter/PE-II and Final) remitted through Demand Draft or Pay Order in favour of the Secretary, The Institute of Chartered Accountants of India, payable at New Delhi.

- Self attested copies of Entrance/Foundation/PE-I/PE-II/Intermediate/Final examination mark sheet/s (both front and reverse side) of all Examinations (i.e., for all your appearances including those where the result of any one or both groups was not PASS).

- Correct Articles Registration number.

- Self attested copies of Rank Certificate issued, if any.

- Self attested copy of Associate Membership Certificate/Fellow Membership Certificate along with the proof for having paid the current year Membership fee clearly indicating your membership number to enable us to issue the "COVER SHEET" (Which is a part of Transcript containing Membership Number, brief description of C. A. Course, Passing Criteria, etc).

- Copy/ies of Prospectus or communication received from Professional Body/Management/Educational Institution/s as applicable, requiring you to submit transcripts of Chartered Accountants Examinations.

- Prescribed Form for transcript duly filled-in by the candidate, along with the envelope/s received from Foreign University/ies/Management Institution/s, if any.

- Copy of the Appointment Letter issued by the Foreign Body as applicable.

CONTINUING PROFESSIONAL EDUCATION – CPE

CPE CREDIT REQUIREMENTS FOR MEMBERS OF THE INSTITUTE

CPE Credit Requirements for the rolling period of three years starting from the calendar year 2008 as given below:

CPE Credit Requirements for members of the Institute

- All the members who are holding Certificate of Practice (except those members who are residing abroad), unless exempted, are required to:

    a. Complete at least 90 CPE credit hours in each rolling three-year period of which 60 CPE credit hours should be of structured learning.

    b. Complete minimum 20 CPE credit hours of structured learning in each year.

- All the members who are not holding Certificate of Practice or are residing abroad (whether holding Certificate of Practice or not), unless exempted, are required to:

    a. Complete at least 45 CPE credit hours of structured/unstructured learning in each rolling three-year period

    b. Complete minimum 10 CPE credit hours of structured/unstructured learning in each year.

IMPORTANT ANNOUNCEMENT FOR MEMBERS ATTAINING THE AGE OF 60 YEARS OR ARE AT PRESENT OF THE AGE OF 60 YEARS AND ABOVE

The Council of the Institute, at its 278th meeting held on May 13-15, 2008, has decided to make the CPE hours requirements mandatory, w.e.f. 15th May 2008, also for the members of the Institute, who are attaining the age of 60 years during a particular calendar year within 2008-2010 or are at present of the age of 60 years and above. Such members could, however, complete their CPE requirements either by structured or unstructured CPE learning activities.

Accordingly, Clause 6.2(a) of the Statement on Continuing Professional Education, 2003 (as amended in August, 2006), which says that the requirements of this Statement shall not apply to a member who attains the age of 60 years during a particular calendar year, stands deleted.

In view of the fact that the CPE requirements for the members attaining the age of 60 years during a particular calendar year within 2008-10 or are at present of the age of 60 years and above, are being made mandatory after passing of 4½ months in the three-years rolling period starting from the calendar year 2008, the Council has decided to proportionately reduce the CPE requirements for these members for the rolling period of 2008-2010. Hence, the CPE Credit Hours Requirements are as under:

All the members attaining the age of 60 years during a particular calendar year within 2008-10 or are at present of the age of 60 years and above and holding Certificate of Practice (except those members who are residing abroad), unless exempted, are required to:

- Complete at least 70 CPE credit hours in each rolling three-year period either through structured or unstructured learning.
- Complete minimum 10 CPE Credit hours in the year 2008 and minimum 20 CPE Credit hours in 2009 and 2010.

All the members attaining the age of 60 years during a particular calendar year within 2008-10 or are at present of the age of 60 years and above and not holding Certificate of Practice or are residing abroad, unless exempted, are required to:

- Complete at least 35 CPE credit hours in each rolling three-year period either through structured or unstructured learning.

- Complete minimum 5 CPE Credit hours in the year 2008 and minimum 10 CPE Credit hours in 2009 and 2010.

The Council has also approved a new CPE Advisory on Unstructured CPE Learning Activities. This Advisory is meant as guidance and direction to the members who want to avail CPE Credits through Unstructured Learning Activities. The advisory includes the details about the unstructured learning activities and the ways in which these can be undertaken. The members are required to submit a Self-Declaration Form to the Institute once in a year to avail the CPE Hours Credit.

Exemption from the requirements of Statement on CPE

Applicability

All members of the Institute, except those who are exempted as per Para 6.2 below, are required to meet the CPE credit requirement as would be recommended by the Council from time to time.

The requirements of this Statement shall not apply to:

a. A member who attains the age of 60 years during a particular calendar year. (Deleted as per council decision dated 13-5-2008).

b. A member, for the year during which he gets his Certificate of Practice for the first time.

c. A member or class of members to whom the CPEC may in their absolute discretion grant full/partial exemption either specific/general, on account of facts and circumstances of the case which in their opinion prevent such person(s) from compliance with the requirements of CPE as given in this Statement.

Further, exemption from CPE is also available on medical grounds. For which the CPE Committee has decided as follows:

1. No blanket exemption will be given on medical grounds from the mandatory CPE requirements for members.
2. Relaxation on medical grounds should be on a temporary basis period of which will be decided by the CPE Committee.
3. The claimant should submit the data regarding professional assignments of his own and the firm(s) in which he is a partner.
4. Every member who applies for exemption from the requirements of the Statement on medical grounds has to meet the following documentation requirements for claiming such exemption.
5. Diseases covered under Section 80DD of Income-tax Act be considered favourably for granting exemption.

Documentation requirements for claiming exemption on Medical Grounds from the mandatory CPE requirements for members

The claimant should submit the following documents in support of the claim:

a. A self-declaration that the member is unable to attend the Continuing Professional Education Programmes due to illness.

b. A certificate in the form (enclosed as Appendix A) from any doctor registered with Indian Medical Association with Post Graduate Qualifications. In effect, a doctor with a mere MBBS degree cannot issue the certificate. The doctor must be at least an M.D. or M.S.

c. The member has to provide the data regarding the professional assignments handled by the member and the firm in which the member is a partner.

Note: The member has to route the application through the Chairman of the Branch / Regional Council under whose geographical jurisdiction the member practices and the Chairman of the Regional Council / Branch should verify the claims and recommend that the member could be exempted from the Continuing Professional Education requirements of the Institute

List of Structured CPE learning activities and eligible CPE Credit thereof.

S. No.	***CPE Learning Activity***	***CPE Credit Hours***
1.	CPE Programmes in the form of Conferences, Seminars, Workshops, Modular Training Programmes, Refresher Programmes, Certificate Programmes, Conventions and Symposia organised by POUs	Time devoted to technical sessions
2.	Participation in the activities of Study Groups constituted by Regional Councils for specific purposes provided that the terms of reference of such Study Groups including the expected output are approved for eligibility by the Central CPE Committee and also provided that the output of the Study Group is submitted to the Central CPE Committee for granting of CPE credit.	Time devoted to technical sessions
3.	Publication of article in 'The Chartered Accountant'.	4
4.	Publication of article in 'Management and Accounting Research'	8
5.	A member who acts as faculty in a CPE programme	Twice the quantum of the duration of the technical session to be rounded off to the next whole number, if it is in fraction.
6.	Chairman of technical session(s) in CPE programmes	Twice the quantum of the duration of the technical session to be rounded off to the next whole number, if it is in fraction.
7.	CPE Programme Co-ordinators and Office Bearers/invitees of the POUs that are conducting the CPE Programmes, if they attend the entire programme	As allotted to the programme
8.	Moderators of teleconferencing/interactive media programmes	As allotted to the programme
9a.	Members who participate in Working Groups/Study Groups/ Technical Committees of the Government Departments/agencies or regulatory bodies/authorities, professional bodies on application to the CPEC by the member/Committee of the ICAI, as the case may be.	Two hours per meeting (subject to a minimum meeting duration of two hours) per day
9b.	Members who participate in technical discussions in the Council/Technical Committees of the Institute	Up to six hours for the whole day, subject to the Committee Chairman's certification of the duration of the discussion.
10.	In-company programmes conducted by the organization in which at least ten members are serving	Time devoted to technical sessions with prior approval of the CPEC.
11.	Learning activities conducted by All India Trade Bodies like Confederation of Indian Industry, Federation of Indian Chamber of Commerce and Industry, ASSOCHAM, Federation of Indian Export Organisations, PHD Chamber of Commerce and Industry that are attended by members	Time devoted to technical sessions with prior approval of the CPEC.

	engaged otherwise than in practice	
12.	Executive and Management Development Programmes organised by Indian Institutes of Management, Administrative Staff College of India and other Institutions of National Importance that attended by members in service, in industry, or engaged otherwise than in practice	Time devoted to technical sessions with prior approval of the CPEC.
13.	Prepared basic draft of CPE Background Material or Technical Material which has been published by the Institute	8
14.	Vetted, reviewed, updated the background material/technical material which has been published by the Institute (Includes publications of the Institute of Chartered Accountants of India but excludes material prepared for seminars, conferences, programmes etc.)	4
15.	Prepared article of relevance to Chartered Accountancy profession published in any ABC accredited newspaper having circulation throughout the country such as Economic Times, Business Standard, Times of India, Hindustan Times, The Hindu etc.	2
16.	Prepared article published in any professional journal published by nationally renowned Institutions like ICWAI, ICSI, IIMs, ASCI, IIPA, NIBM, IIB, IITs, etc.	2
17.	Prepared article published in any professional journal published by Management Institutions of National repute like MDI, IMT, FMS – DU etc.	2
18.	Prepared article published in any professional journal published by other Educational Institution run by Central/State Government or by prominent Management Institutions	2
19.	Prepared article published in any other professional journal, any magazine/ paper/ newsletter relevant to Chartered Accountancy having circulation of at least 10,000 copies per issue (certified by ABC)	2
20.	Prepared article, which is part of the proceedings of a Conference, organized by the POUs or any other recognized professional body. (Includes material prepared for seminars, conferences, programmes etc. in which a member is not acting as a faculty, i.e, a member will get CPE credit in one capacity only, either as participant or as faculty or for preparing material, which is part of the proceedings of a Conference)	2
21.	Prepared article published in any newspaper having local/regional circulation (published in vernacular language)	2
22.	Members who complete doctoral programmes in relevant disciplines	On case by case basis as may be decided by the CPEC
23.	Members who participate in CPE Teleconferencing programmes with the supervision of the POU for a duration of two hours	2
24.	Such other activities, as may be prescribed in these regards from time to time, the by the CPEC.	As recommended by CPEC

Unstructured CPE Learning Activities

8.A Introduction

8. A.01 The CPE learning activities, which are eligible for CPE Credits are divided into Structured and Unstructured Learning Activities (ULAs). This Advisory is meant as guidance and direction to the members who want to avail CPE Credits through ULAs

8. A.02 As per the Statement on CPE, the indicative list of Unstructured CPE Learning Activities that are eligible for CPE Credit is as follows:

- Web-based learning modules (e-learning)
    - *e-learning is "instructional content or learning experiences delivered or enabled by electronic technology". Electronic technology encompasses everything from Computer-Based Training (CBT), to compact disks (CDs), to Web-based applications*
- Self-learning modules and courses (use of audiotapes, videotapes, correspondence courses, computer based learning programmes)
- Reading and individual home study
    - Reading and Individual Home Study may constitute reading articles in the Journal, 'The Chartered Accountant' of the Institute, reading technical, professional, financial or business literature.
- Group or bilateral discussion on technical issues
- Acting as visiting faculty or guest faculty at the various Universities/Management Institutions/Institutions of National Importance
- Participation in CPE Teleconferencing Programmes without the supervision of the POU
- Providing solutions to questionnaires/puzzles available on Web/Professional Journals
- Internal Training Programmes being organised by firms of Chartered Accountants having seven or more partners

8. A.03 The Members would be required to fulfill the documentation requirements as entioned in this advisory, to avail respective CPE Credits. The Members would also be required to maintain and retain proper records of ULAs undertaken by them, i.e. Type of unstructured activity, topic, date and the number of CPE hours requested by them.

8. A.04 The members are required to submit a Self-Declaration Form to the concerned Decentralized Office once in a year to avail the CPE Hours Credit for the ULAs ndergone by them.

8.B Basic Components of Unstructured Learning Activities (ULAs)

8.B.01 The members are advised to devote time to ULAs in continuity so as to maximize the benefits of learning activities.

8.B.02 The topics studied should be of relevance to the work profile of member/s and/or Chartered Accountancy Profession. The indicative list of topics is given in the CPE Calendar, which is announced by the CPE Committee every year.

8.B.03 The study material used for ULAs like Self-Learning Modules/Courses and Individual home study etc., should be of adequate standards and comprehensive in nature.

8.C Self-Declaration Form

8.C.01 The Self Declaration Form has to be completely filled in and signed by the members.

8.C.02 The Members are required to indicate the time devoted to the ULAs in the areas that are related or relevant to the profession, in the Self Declaration Form.

8.C.03 A blank Self-Declaration Form would be sent to the members along with the Membership Fee Circular. The same could also be downloaded by the members from the CPE Portal.

8.D. Submission of Self-Declaration Form by the member

8.D.01 The members are required to submit their Self-declaration in the form enclosed as **Annexure-I**, once in a year before 31st May, to avail the CPE Hours Credit for the ULAs undergone by them in the previous year. These forms would have to be submitted to the concerned Decentralized Offices. The members could also submit the same to the Sub-Decentralized Offices for onward submission to the concerned Decentralized Offices.

8.E Monitoring and Recording of CPE Credit Hours of Unstructured Learning Activities (ULAs)

8.E.01 The Decentralized Offices of the Institute are entrusted with the task of monitoring and recording the CPE hours Credit for the ULAs. On the basis of Self Declaration submitted by the Members, the concerned Decentralized Offices would enter the CPE Hours Credit on the CPE Portal under the Head ‘Unstructured Learning Activities (ULAs)’. The necessary provision for recording the CPE Hours for the ULAs has been provided on the CPE Portal.

PEER REVIEW

The Institute of Chartered Accountants of India released the Statement on Peer Review to meet the demands of high quality assurance, consistency and greater transparency. The Statement also lays down the framework for conduct of Peer Review. Reviews are for the purpose of enhancing quality of professional work and have no relationship whatsoever with any disciplinary or any other regulatory mechanism. The objectives of Peer Review include — to ensure that members while performing attestation services comply with technical standards laid down by the Institute; to ensure that such a member has in place proper system (including documentation system) for maintaining the quality of attestation services performed by him; to ensure adherence to various statutory and other regulatory requirements; and to enhance the reliance placed by the users of financial statements for economic decision making.

Following the request of the Securities and Exchange Board of India (Sebi), the Institute of Chartered Accountants of India (ICAI) in principle has decided as agreed that the audit of listed companies and public sector undertaking will be conducted only by auditors holding a 'peer review certificate' issued by the institute.

As far as possible, in order that the reviewers carry out review assignment(s) as per globally accepted standards, the Board has brought out a comprehensive Peer Review Manual providing an insight into various aspects of peer review process and modalities. Another important publication of the Board in this regard is the Training Modules for Peer Reviewers. The Peer review process can be spelt out, in a nutshell, under the following sub-headings:

i. Selection of practice Unit

Peer Review is being introduced in three stages with different types of practice units being included at each such stage. At each stage, certain practice units, satisfying the criteria laid down in the Statement, are selected for peer review on a random basis. The Board is empowered to decide the proportion of practice units to be included in this selection during each phase of implementation. Practice units falling under Stage I would be subjected to peer review at least once in three years. However, if the Board so decides or otherwise at the request of practice unit, the peer review of a practice unit can be conducted at shorter intervals in respect of practice units falling under Stage I. Practice units falling under Stages II & III may not be subjected to review every three years. Therefore, the Statement provides that a provision has been included in the Statement to ensure that all practice units may like to undergo periodic review in view of the benefit accruing out of such a process. Similarly, an auditee may also request the Board for the conduct of peer review of its auditor; i.e., practice unit. The random sample selection of Practice Units is done through computer generated system, based on software specially developed for the purpose.

ii. Intimation to the Practice Unit

Once a practice unit has been selected for peer review, an intimation in writing is sent by the Board to the practice unit informing of its selection for peer review. Along with the intimation, the following documents are sent to the practice unit:

1. A copy of the Statement on Peer Review
2. A panel of three reviewers suggested by the Board or Sub-Committee constituted by it for this purpose.
3. A copy of the questionnaire.

iii. Selection of Sample Attestation Services Engagements and Communication to Practice Units

The reviewer, on the basis of the information given in the questionnaire or after seeking such other information as he thinks necessary, selects a sample of attestation services engagements on random basis for review. The selection of a sample for review, out of the complete list of attestation service clients, is at the discretion of the reviewer.

However, the reviewer is required to select a sample that is representative of the practice unit's client portfolio.

After the selection of sample of attestation service engagements for review, the reviewer sends a written intimation to the practice unit about the sample selected by the reviewer, two weeks in advance, from the date the reviewer intends to begin the review. The intimation also contains a request for ready availability of the relevant records relating to the attestation service engagements selected for the review.

iv. Method of Review

Reviewer may adopt either compliance approach or substantive approach or a combination of both.

v. Cost of Peer Review

Cost of Peer Review, laid down by the Board is borne by Practice Unit.

vi. Confidentiality

Reviewer is not supposed to keep any paper(s) — original or photocopy, of practice unit. He can retain only his working papers. The Reviewer, his assistant/s, if any, have to sign statement of confidentiality, before commencing the review. All Board Members and officers and staff assisting the Board are also subject to similar Statement of Confidentiality.

vii. Certificate of Peer Review

On the basis of the report submitted by the Reviewer, the Board shall issue a Certificate to the Practice Unit.

REPORT OF THE PEER REVIEWER

Preliminary Report

If the Peer Reviewer finds deficiencies in systems and procedures or non-compliances, he will have to issue preliminary report to practice unit immediately. He may consider issuing such report also in case the clarifications given by the practice unit are not found satisfactory. Practice unit has to send reply in writing within 21 days of the receipt of such report.

Interim Report

If Peer Reviewer is not satisfied with reply of Practising Unit and deficiencies are of such serious nature that they do not ensure quality of attestation services performed by the Practising Unit, the reviewer will issue interim report stating weaknesses in compliance with technical standards and/or in Internal Quality Control Systems.

On receipt of Interim Report by the board, it may instruct the reviewer to carry out a follow-up review after a period ranging from 6 months to 1 year.

Final Report

The reviewer should submit final report to the Board with a copy to the Practising Unit incorporating the findings as discussed with the P.U. The reviewer will issue a clean report if he is of the opinion that practice unit is conducting its affairs in the manner that ensures quality of services rendered by it. The reviewer will issue a qualified report in case of non-compliance with technical standards, quality control system design deficiencies, noncompliance with quality control policies and procedures and non-existence of adequate staff training programmes.

The Board shall consider the report and if satisfied, will issue Peer Review Certificate. If not satisfied, it may issue recommendations to practise unit and direct the reviewer for further review.

NETWORKING AMONGST THE CHARTERED ACCOUNTANTS

PRESENT STATUS OF PRACTISING CHARTERED ACCOUNTANTS

Our Chartered Accountants are world class may be because of our education, training, skill and competency in English language. We can be major player in world service sector. The biggest barrier for this is probably the size of our firms. More than 72% of our firms are proprietary firms and about 21% of our firms are 2 to 3 partner firm. Firms having partners between 4 and 10 are hardly 6% and firms having partners more than 10 are just 0.24%. Thus we can see that large firms constitute a very minuscule percentage.

A number of barriers and shortcomings plug the growth of small firms into large firms. In the globalise world the demand of services user includes multilocational and integrated "One Stop Shop" services in various sectors. Most of the service takers want a "Single Window" or one firm to handle all their issues relating to the various assignments. We have been looked after as service provider who can have solutions for various problems. The trade now expects a quicker solutions and globally accepted solutions. But due to complexity of law and the size of firm we are not in position to render a wide range of services.

Needless to emphasize that the transformation means cessation of the existing mindset which feels secure in proprietary and small firms. The ego of becoming my own boss is major hurdle in mergers and acquisitions. One does not want to have partnerships due to various reasons like sharing of profits, fear of losing clients, sharing of power, fear of being more accountable, sharing of knowledge & information, clashed of work culture, loss of flexibility, rights in immovable properties and due to many other reasons.

NETWORKING

But now the Institute of Chartered Accountants of India has announced the rules for networking amongst the chartered accountants. Here one does not have to be partner but can have advantages of partnership like building capacity to serve the clients in different areas in geographically or in different areas of the services rendered. The ICAI in the rules of networking defines the Network as "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."

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.

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 professionals 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 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.]

NAME FOR NETWORK

The Network may have distinct name, which should be approved by the Institute. To distinguish a "Network" from a "firm" of Chartered Accountants, the word "& 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 as per the **Form 'A'**. Standards prescribed in Regulation 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 name of companies as prescribed in the Companies Act, 1956 shall be applicable in spirit. The network is not 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. Network may work without a Name also.

REGISTRATION FOR THE NETWORK

Formal Network is required to be registered with the Institute as per the prescribed **Form B**. The Referral Practice requires no registration. Referral 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 predominant 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.

If a 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 a part of 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.

ETHICAL COMPLIANCE

It will be necessary for the networked firms to comply with all applicable ethical requirements prescribed by Institute. Thus if one firm of the network is the statutory auditor of an entity then the associate firm should not accept internal audit or book keeping or such other professional assignment which are prohibited for the statutory auditor firm. The ceiling of charging non audit fees; i.e., three times of the statutory audit fees is collectively applicable in relation to the networking firms. In those cases where rotation 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/Undertaking such as Public Sector Undertakings (PSUs), Public Sector Banks and Financial Institutions etc.

CONSTITUTION

The Network can be between proprietary, partnership firms and individual members. A proprietary, partnership firms and individual members are allowed to join only one formal network. Firms having common partners shall join only one network.

SCOPE

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. 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. Only the firm(s)/Member(s) forming Network are eligible to issue/sign/attest any certificate/Report/professional document/assignment.

BYE-LAWS

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 Newsletters for staff and clients.

viii. Development of software for different types of assignments.

ix. Development and maintenance of databases 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.

There can be many other clauses, which can form the part of the bye-laws.

EXIT

A constituent Member firm/Member of a Network can exit from the network by sending the declaration in Form ‘C’ 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.

CONCLUSION

This sort of Networking would be stepping stone for the mergers and acquisitions of the firms. The Institute has also announced the rules for the same. Once one is comfortable with these networking one can go for bigger partnership firms get the advantage of the big work to follow. This will help the firms to build competitive advantage over others. The firms will also be able to build up their brands.

The survival of small chartered accountants firms depends on their ability to re-engineer themselves. This type of networking will be one of the ways of re-engineering of the firms. Let us make the best out of the facility provided by the Institute.

POST QUALIFICATION COURSES OFFERED BY ICAI

Post Qualification Course	***Registration***	***Overall Scheme***	***Prospectus***
Management Accountancy Course (MAC) **Corporate Management Course (CMC)** **Tax Management Course (TMC)**	• Filling up the Application form along with examination fee of Rs. 200/- for each group or as may be fixed by the Council, by way of DD in favour of "The Secretary, Institute of Chartered Accountants of India" payable at New Delhi and submitting it at the Institute's Head Office before the last date notified for the purpose. • Registration in Part II of the Course is by completing the application form in prescribed format and sending it to : The Post Qualification Courses Cell, at the Institute's Head Office along with fee of Rs. 200/- by way of DD in favor of "The Secretary, Institute of Chartered Accountants of India" payable at New Delhi. • Copy of latest annual report required to be submitted if employed in industrial/commercial organisation for registration in Part II.	• Part I – Examination in Four Papers relevant to the course divided into two groups. • Part II – Practical training of two years in an organisation approved by the Committee followed by submission of dissertation and interview. • A member can undertake both the parts simultaneously or any part of the course at a time. • A member can register for Part II immediately on becoming member of the Institute. • A candidate who has qualified in Part I and Part II, shall be awarded a certificate in the appropriate Form and be entitled to use the letters, 'D.M.A. (ICA)' in case of Management Accountancy Course, 'D.C.M. (ICA)' in case of Corporate Management course and	• The prospectus can be obtained from any of the regional councils/branches of the Institute or request to the Joint Secretary, Postal Sales Department of the Institute at C – 1, Sector 1, Noida – 201 301 (U.P.) by sending a Demand Draft of Rs. 80/- (Rs. 50/- plus postal charges of Rs. 30) favouring 'The Secretary, The Institute of Chartered Accountants of India' payable at New Delhi. • Any inquiry except with regard to the Examination should be addressed to : The Post Qualification Courses Cell/Mail to : ditl@icai.org • Previous years' Question Papers can be obtained through mail at ditl@icai.org • Request for quarterly research journal "Management and Accounting Research"

		'D.T.M. (ICA)' in case of Tax Management course, after his name.	useful for MAC/CMC candidates can be made to the Editor. Management and Accounting Research at Institute's Head Office. Subscription for the journal is Rs. 150/- for one year and Rs. 400/- for three years. • Suggested books for the papers are prescribed in the prospectus.
Insurance & Risk Management (IRM)	• A candidate has to fill up the registration form and send it, along with requisite fee, to : • "The Secretary, Committee on Insurance" at the Institute's Head Office or register online.	• Candidate must complete the self-study and eligibility tests (ETs). • After securing the eligibility certificate they become eligible for appearing in the Technical Examination. • Those passing the Technical Examination will have to undergo a mandatory 6 days orientation course, which marks the completion of programme. • A candidate who has successfully completed the Course shall be awarded a Certificate in approved form and be entitled to use the letters 'DIRM ICAI') after his	• The prospectus can be obtained from any of the regional councils/branches of the Institute. • Any information except with regard to the Technical Examination should be addressed to : The Secretary – Committee on Insurance/ Mail to : insurance@icai.org

		name. • The interval between the date of registration and the date of Technical Examination should not be less than 9 months.	
Information Systems Audit	• The registration for the ISA PQC is on submission of duly filled-in ISA Registration Form (provided with the ISA Prospectus) • Along with the form, one has to send DD for course fees, two PP size photographs and a copy of membership certificate • Course Fees of Rs. 10,000/- is payable in lump sum by DD in favour of "The Secretary, ICAI" payable at New Delhi. • Applications for Registration to the ISA Course with requisite enclosure have to be sent to the following address: • ISA/CATT helpdesk, The Institute of Chartered Accountants of India. Plot Nos. 52, 53 & 54, Vishwas Nagar (Near Karkardooma Court) Delhi -110 032.	• Apply for registration • Complete 100 hours of Professional Training course generally scheduled for six weekends (Sat/Sun) covering 12 days of 8 hours training. • Minimum attendance required to successfully complete ISA PT is 90% (10 days out of 12) • Eligible candidates to appear for Eligibility Test (ET) • ET Certificate is valid for 4 attempts (actual) in a period of two years. • Appear for ISA AT (Assessment Test) • Qualifying the ISA AT marks the completion of ISA course. Successful candidates are entitled to use the letters 'DISA (ICAI)'	• Complete details of the ISA course is available in the ISA Prospectus available for sale at the Sale Counters of the Institute @ Rs.150/- each. • The Prospectus also contains a copy of the ISA Course Registration Form. • Details about the ISA Course activities are hosted at the ISA Portal at www.isaicai.org. • Details about the course are also available at the Official Website of the Institute at www.icai.org under Courses — ISA.

		after their names. • It takes six months to complete the course if registration is done near the beginning of the quarter and participants qualify the exams in first attempt.	
International Trade Laws & WTO	For registration in Part I of the course apply in prescribed form to: "The Secretary, Committee of Trade Laws & WTO" , at the Institute's head office along with fee of Rs. 10,000/- (towards 1st instalment by way of DD/PO in favour of "The Secretary, Institute of Chartered Accountants of India" payable at New Delhi.	• The Course involves two parts viz., Part I – Theoretical knowledge with examination, supported by conduct of personal contact Programmes (PCPs) and Part II – Practical Training and submission of a Dissertation. • Registration fees for the course is Rs. 20,000/- payable in two instalments 1st Instalment of Rs. 10,000/- payable at the time of registration for Part I and 2nd Instalment of Rs. 10,000/- payable at the time of applying to attend the Personal Contact Programme for the Course. Registration fees includes cost of study material to be provided by	• The Prospectus (also containing Registration form) can be obtained from any of the regional councils/branches of the Institute or request to the Joint Secretary, Postal Sales Department of the Institute at C-1, Sector 1, Noida – 201 301 (U.P.) by sending a Demand Draft of Rs. 150/- plus postal charges (Rs. 9/- within New Delhi & Rs. 20/- for Rest of India, if required by Courier; Rs. 40/- if required by registered post) favouring "The Secretary, The Institute of Chartered Accountants of India" payable at New Delhi. • Any information except with regard to the Examination

		the Institute. • Register for Part I of the course • Self-Study in Part I is augmented by Personal Contact Programmes (PCPs) covering all subjects, for 30 days with minimum attendance record of 80%. • Candidates shall be eligible to appear for Part I Examination to the Course only after six months of registration and minimum required attendance at PCPs. They can appear either for Group A or Group B or both Groups at their discretion (each group consists of three papers). Examinations will be conducted in the month of May and November. • Candidates clearing Part I examination would be eligible to register in Part II of the Course comprising of Practical Training for 30 days followed by dissertation and interview	should be addressed to: The Secretary Committee on Trade Laws and WTO.

		• Submit dissertation for approval of the Institute. • Successful candidates in the Course entitled to use the letters "DITL (ICAI)"	

ISA — AN EMERGING PROFESSIONAL OPPORTUNITY

Rightly gauging the future that, Information Technology will pervade all walks of life and business within no time, the Institute had launched upon the ISA (Information System Audit) course as a Post Qualification Course (PQC) for its members. Today, technology plays a major role in facilitating all business functions and it is not limited to just simple capture and process of transactions, as it was in the beginning. Now, technology has even entered the core areas such as Corporate Governance, Risk Management and Business Continuity.

Changing paradigms due to recent technology revolution have made knowledge and experience in technology as a basic requirement for growth of a professional. Not only the growth, but even mere survival requires technology knowledge these days. Information Technology (IT) has evolved from a humble role of business enabler to business driver.

With IT becoming an integral part of the strategic business scenario, the Institute rightly perceived an increase in the use of technology in Finance and Audit. We as professionals, with our background in accounting and audit, are better equipped to carry out information system audit, which is not a substitute to financial audit. The expertise required for conducting an Information system Audit (ISA) is much more and we should equip ourselves with adequate and relevant knowledge.

The information systems have moved beyond being just accounting packages and are now used to cover the entire range of business operations. They also provide information that can assist the organization in planning, controlling and decision-making. The challenge for the auditor is to ensure that the information is relevant, accurate and complete. Considering all these factors and keeping in view the latest technology developments, the Institute has taken proper actions of defining, redefining and constantly updating and modifying the syllabus for the ISA course.

The highlights of the course are "contemporary curriculum, industry networking and cutting-edge technology". The course focuses on comprehensive development of professional skills, through a well-devised curriculum and training methodology. ISA not only empowers Chartered Accountants to drive information development and system design, but also helps them to understand the finer nuances of system control and evaluation.

With the new challenges threatening the traditional domain, the Council of the Institute — by commissioning ISA course — is not just coping with the demands of IT dynamics, but it also seeks to leverage technology to enhance the professional skills of its members.

Keeping with the pace of the technology and the emergence of the new concepts on the horizon, Committee on Information Technology (CIT), ICAI has been duly revising and revamping the prospectus for this PQC on ISA, from time to time. CIT is constantly endeavouring to improve the level of training and facilities offered to candidates pursuing the course. Some of the recent initiatives have been the revision of syllabus, revised course materials, CAAT Resources CD, Technical Guide on IS Audit, and New ISA Prospectus. The ISA Portal at www.isaicai.org is another value added service (a one-stop-shop) to provide all pertinent details about the PQC on ISA and CPE Course on CAAT, Practical Workshops, Practical Training Batches, ISA ET Notifications, emerging professional opportunities and details of forthcoming activities, apart from provision of mail boxes for course communications to candidates pursuing the ISA Course. Through the revised course, students get E-Books and Presentations, highlighting the need for Systems and Process Assurance/ IS Audits.

The course enables ICAI members to become world-class Systems Auditors, Systems Control and Security Professionals, Technology Consultants and Tech-savvy Finance Executives. It helps them to take on multiple roles, responsibilities and leadership in a complex and rapidly evolving business environment. It provides guidance and support in Information Technology to Governments, Corporates, Service Organizations and Society at large, by:

- Setting learning standards for its members
- Conducting research in system security, control and audit
- Developing Information Systems (IS) audit standards and competencies

- Establishing good governance and security practices

The detailed information of the course contents is available on the websites http://www.icai.org and http://www.isaicai.org.

The revised prospectus is available at http://isaicai.org/revisaprospectus.htm

Committee on Information Technology (CIT) has implemented the twin facilities for the ISA course viz:

- Researched Online Study Materials (ROSM**)** and
- Online Practice Tests (OLPT)

ROSM is a learning facility, an exercise for the user to choose right answer for the question. After answering, the user gets to view a page full of pertinent details about the question at hand, to enable him/ her to better understand the concept covered.

OLPT facility aims to provide an exposure to the type of questions that are asked, provide sample test papers and questions, a means to do self evaluation of learning — the user can know how well he/she has understood the subject/ module.

The CIT has also identified IT Enabled Services (ITES), particularly ERP, as a thrust area for the development of the profession considering increasing demand for these value added services within the country and abroad. After a detailed market study, CIT has identified leading ERP vendors to provide education and training in this area at concessional rates, to facilitate members to develop competencies in these areas. As a part of this ERP initiative, the CIT has finalised arrangements to provide following training programmes:

SAP ERP Module on "Managerial and Financial Accounting" (FICO)

Oracle ERP — Financials 11i Module Training Module

Microsoft Dynamics NAV — Finance Module

These courses are introduced to provide practical training content desired by members participating in the PQC on ISA. This course would enable ISA Members to get a practical insight into SAP/ Oracle/ Microsoft NAV Dynamics ERP implementation for finance/ control module. Further information is available at http://isaicai.org/TechnologyInitiativeERP.html

According to the CIT, it is important to find out:

- how to use available technology
- where to use IT
- how to get ROI (Return On Investment) from IT
- how IT can be integrated and standardized and
- what are the latest happenings in IT

Armed with the ICA qualification, members can build brilliant careers in the following areas:

- **Information System Development and Design**

Provide functional expertise in the areas of development, implementation, testing and security of information systems and suggest controls to be incorporated therein.

- **Information System Evaluation**

Undertake an objective assessment of information system controls, information privacy and integrity.

- **Assessment of Risks and Management thereof**

Identify risks, assess their impact, provide assistance in devising mitigation strategies, devise and implement controls, provide ongoing measurement mechanisms for the risk environment.

- **Business Continuity Management**

Provide help in development/implementation/assessment/ review of business continuity and disaster recovery plans.

- **Public Key Infrastructure (PKI) Audits**

Public and private organizations are implementing PKI to ensure safe exchange of sensitive data and other critical transactions. Audit of such PK infrastructures is an emerging area.

- **Security Policy Development, Implementation, Review and Assessment**

Assist the top management in development and implementation of enterprise wide security policy, plan and procedures.

- **Undertake review/assessment of the security policy, if it already exists in an organization**
- **Training in IS Security**
- **Privacy Impact Assessment**

  Due to globalization and business process outsourcing practices, there is a lot of cross border flow of data. Privacy of such data is required to be guarded as per various enactments in regard to the data privacy in different countries. Privacy Impact Assessment is another emerging area in the BPO regime.

- **Application Software Audit**

Review of Database for Integrity, Confidentiality and Availability

- **Network Audit**

Audit/Review of Network Security and Network Administration

- **Vulnerability Assessment**

Carry out vulnerability assessment with the help of various tools by running scans on a system to proactively detect known vulnerabilities such as security flaws and bugs in software and hardware.

- **Penetration Analysis**

Perform penetration analysis to test an organization's information system security to identify vulnerabilities in the system and surrounding processes.

- **Computer Abuses and Crimes**

Assess the level of risk with regard to the computer abuses/crimes and suggest steps for removing any laxity observed in the physical and logical controls.

- **Audit of Efficiency of IT Resources**

Identify conditions such as Underutilized facilities, Non-productive work, Procedures that are not cost justified, Overstaffing or understaffing etc.

- **Computer Forensics**

Clinical investigation of computer crimes/frauds.

Every organization using IT will require one or more of the above services at some stage/s of its computerization process. With the increasing use of IT in business and other applications, the D.I.S.A. (ICA) qualified members will be presented with amazingly large professional opportunities as the time passes by.