



## 10. Imparting Training to Articled/Audit Assistants

(Regulation 43, 51, 54A, 55, 57, 68 & 72)

### A. Who is eligible to train articled/audit assistants

- (1) An associate or a fellow member, who has been in practice continuously, whether in India, or elsewhere or an associate or a fellow who is employed as a paid assistant with a chartered accountant in practice or in a firm of such chartered accountants shall only be eligible to engage an articled assistant or assistants:

In the case of an associate or a fellow practising outside India, the Council may impose such additional terms and conditions as it may deem fit.

- (2) Effective from 17.8.2007 the entitlement of members in practice to train articled assistants is as follows :

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

- (3) The entitlement of (Paid Assistants) members who are in full time salaried employment under a chartered accountant in practice or a firm of such chartered accountants is as follows

| Category | Number of full time salaried employees - irrespective of whether associate or fellow | Entitlement of articled assistant or assistants                              |
|----------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| (i)      | Upto 100                                                                             | 1 per employee                                                               |
| (ii)     | Between 101 and 500                                                                  | 100 + 50% of the number 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                          |



(4) Further conditions for entitlement :-

- (i) a full-time salaried employee shall be eligible to engage and train an articled assistant only if he has been in employment with the same employer for a continuous period of twelve months.
- (ii) a member who ceases to be in practice or resigns his partnership or gives up salaried employment under a chartered accountant in practice or a firm of such chartered accountants and who, at the time of discontinuance of practice or paid employment, as the case may be, has one or more articled assistants serving under him, shall not be eligible to take any articled assistant, if he subsequently sets up practice or takes up salaried employment under a chartered accountant in practice or a firm of such chartered accountants, until such time as the articled assistant or assistants serving under him previously complete the period of articles intended to be served under him, had he not given up his practice or the salaried employment,
- (iii) a member shall be entitled to engage and train an articled assistant only if he is in practice and such practice, in the opinion of the Council, is his main occupation. In ascertaining the number of years for which a member was in continuous practice, only the number of years in respect of which the member's practice was his main occupation shall be considered. The Council may, in its discretion, condone any break in the continuity of practice, for a period not exceeding 182 days in the aggregate.
- (iv) A member who sets up practice, with practice as his main occupation, after having been in employment for a minimum period of six years in one or more financial, commercial or industrial undertakings approved under regulations 51 and 72, shall be deemed to have been in continuous practice for three years.

(5) The entitlement of a member to train articled assistants under regulation 43 shall be subject to such decisions as may be made by the Council under regulation 67.

(6) **Engagement of Audit Assistant** (*Regulation 68*)

A member who has been in continuous practice for not less than three years, either before or after the commencement of the Act, or partly before and partly after the commencement of the Act, shall be entitled to engage one audit Assistant.

(7) **Additional Vacancies** (*Under Regulation 57*)

- (a) The additional vacancies can be granted to a member in practice under the following circumstances;
  - (i) the Principal has ceased to practise.
  - (ii) name of the Principal is removed from the Register of Members.
  - (iii) the Principal has died.

In all the above cases request for grant of additional vacancy shall be made within 30 days to the Secretary. Within 30 days from the date of the letter of the Secretary granting permission, the particulars in form 103 shall be sent for registration. In the case of death of the principal the date of commencement of training under fresh articles shall be taken the date following the date of death of the principal.



- (b) Additional Vacancy may also be granted for accommodating articled assistants serving period of excess leave. The benefit of additional vacancy in such cases 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 excess leave taken.

## **B. Training of Articled Assistants outside India.**

- i) A Chartered Accountant is eligible to train an articled assistant provided his main occupation is the practice of the profession of Accountancy at the time of engaging articled assistants as well as in each of the qualifying years on the basis of which he claims eligibility to train articled assistants.
- ii) Any member engaged in any other business, occupation or holding part time certificate of practice, is not entitled to train articled assistant.
- iii) The member in practice shall have a professional address in India in his own charge or in charge of another member.
- iv) The terms and conditions that may be made applicable for training articled assistant in India from time to time shall mutates mutandis apply for training of articled assistant abroad.
- v) The period of practical training shall be 3 years or 3½ years, as applicable, under a practising chartered accountant abroad. However, the articled / audit assistants should have an option to undergo industrial training in accordance with the Regulations 51 & 72 of the Chartered Accountants Regulations, 1988 during the last one year of training.
- vi) The Industrial Training may be imparted by the Chartered Accountants working abroad in a financial, commercial or industrial undertaking with minimum fixed assets & minimum total turnover or minimum paid up capital as may be specified by the Council (whatever the value specified in terms of Indian currency may be deemed as applicable in foreign countries in their respective currencies) or such other organization or institution approved by the Council
- vii) The terms & conditions contained in Regulation 54 dealing with secondment shall be applicable to the articled assistants receiving training abroad.
- viii) The Principal shall send training reports as prescribed alongwith the service certificate to be issued in Form 109 & 108 as the case may be
- ix) The principal shall impart training in accordance with the guidelines contained in Training Guide. He shall maintain a record of practical training imparted by him to the articled assistant and report to the Council in the form prescribed in the training guide.
- x) The rates, terms and conditions of stipend prescribed as payable to the articled assistants receiving training in India shall be applicable to the articled assistants receiving training abroad except that the same rate of stipend in equivalent terms specified in respective national currencies of the countries concerned instead of Indian rupees.
- xi) Regulation of training in terms of office hours and working days holidays will be applicable as per local office timings and laws. However, requirements of total training hours will be the same as applicable in India, the terms of which are given hereunder: -



- a) The working hours for the articled assistants shall be 35 hours in a week excluding the lunch break.
- b) The office hours of the Principal for providing article training to the articled assistant shall not be generally before 9.00 a.m. or after 7.00 p.m.
- c) The normal working hours for the articled assistant shall not start after 11.00 a.m. or end before 5.00 p.m.
- d) The working hours for the articled assistants should not exceed 35 hours in a week excluding the lunch break and normally an articled assistant be required to work during the normal working hours fixed for articled assistants.
- e) In case of exigencies of work with Principal, an article assistant may be required to work beyond his / her normal working hours. However, under such circumstances, the aggregate number of working hours shall not exceed 45 hours per week. The requirement to work beyond 35 hours in a week should not be a practice but only in exceptional circumstances. Further, where the articled assistant is required to work beyond normal working hours, and aggregate of such hours exceed 35 hours per week, he / she shall be entitled to compensatory leave calculated with reference to number of completed working hours, over and above, 35 hours per week.

Further conduct of training will be regulated as per provisions of the relevant Regulations as follows: -

**Regulation 60 : Working hours of an articled assistant**

"The minimum working hours of an articled assistant shall be 35 hours per week (excluding lunch break) which shall be regulated by the Principal from time to time, subject to such directions and guidelines, as may be issued by the Council."

**Regulation 65 : Articled assistant not to engage in any other occupation**

"Without the previous permission of the council, obtained on application made in the approved form, no articled assistant shall, during the period of his service as an articled assistant, take any other course of study or training whether academic, professional, or engage in any business or occupation."

**Regulation 66 : Enquires against articled assistant**

- (1) Where a complaint or information of any misconduct or breach or regulation 65 or breach of code of conduct applicable to the articled assistants or breach of any of the covenants contained in the articles is received against an articled assistant from his principal or any other person, the President or the Vice President as the Executive Committee may decide from time to time, may cause an investigation to be made.
- (2) The Executive Committee may, on a consideration of the report of the investigation and after giving the articled assistant an opportunity of being heard make any of the following orders, namely :-
  - (i) direct that the papers be filed and the complaint be dismissed, if the Executive Committee finds that the articled assistant is not guilty of any misconduct or breach of regulation 65 or breach of any of the covenants contained in the articles ; or



- (ii) if the articulated assistant is found guilty, reprimand the articulated assistant or cancel the registration of articles or direct that any period already served under such articles shall not be reckoned as service for the purpose of the period practical training specified in regulation 50.
- (3) The articulated assistant, the registration or whose articles has been cancelled under this regulation, shall not, except with the permission of the Executive Committee be retained or taken as an articulated assistant or audit assistant by any member.

Explanation - For the purpose of this Regulation the articulated assistant includes a person who at the relevant time was registered as such.

### **Regulation 67 : Complaint against the Principal**

- 1) Where an articulated assistant makes a complaint against his principal on a matter concerning his training as an articulated assistant, the President or the Vice President as the Executive Committee may decide from time to time, may cause an investigation to be made and submit a report to the Executive Committee
- 2) The Executive Committee shall submit that report of the investigation to the Council 22 with its recommendations.
- 3) The Council may, on a consideration of the report of the Executive Committee, pass such order as it may consider expedient, including an order withdrawing the entitlement of the principal to train one or more articulated assistants either permanently or for a specified period.

Provided that no order withdrawing the entitlement of the principal to train one or more articulated assistants shall be passed without giving him an opportunity of being heard.

Explanation-An order passed by the Council under this regulation shall be without prejudice to any action that the Council may take against the principal under Section 21.

- 4) The President or the Vice President as the Executive Committee may decide from time to time, may, pending an investigation of the complaint, either terminate or suspend the articles and allow the articulated assistant to be accepted as additional articulated assistant by a member, notwithstanding anything contained in Regulation 43,

Explanation- For the purpose of this Regulation, the articulated assistant includes a person who at the relevant time was registered as such.

### **C. Practical training under eligible members of Accountancy Institutions or Bodies outside India (Regulation 54-A)**

- (i) A principal, with the consent of the articulated assistant, may depute the latter for training for a period not exceeding six months to a member eligible to engage and train an articulated or articulated assistant or apprentice, by whatever name called, under the bye-laws of an institution or body etc. set up in the respective countries under the relevant Statutes.
- (ii) For the purpose of regulation 50, such period of training shall be deemed to be service as an articulated assistant.



- (iii) During such period of training the provisions of Regulation 48 (relating to stipend) shall not apply.
- (iv) The principal is required to include the particulars of such training in the report to the Council under Regulation 64.
- (v) There is no need either for execution of deed of articles for such training or for any intimation to the Institute in this regard;

**D. Members not to engage articled assistants under the bye-laws of the accountancy institutions or bodies outside India. (Regulation 44)**

Members entitled to train articled assistants under Regulation 43 as detailed above shall not engage any articled assistant or articled assistant or apprentice by whatever name called under the byelaws of any other Institute or Society or body unless the person concerned has been registered as a student with any of the accounting institutions or bodies whose training is recognized by the Council as being equivalent to the training prescribed for the members of the Institute under clause (v) of sub-section (1) of Section 4 of the Chartered Accountants Act, 1949.

**E. Change of status of Principal (Regulation 55)**

- (i) Where a Paid Assistant employed by a chartered accountant in practice or a firm of such Chartered Accountants, sets up practice independently, the articled assistant(s) engaged by him shall continue with him from the date of setting up practice provided he is entitled to train articled assistants under Regulation 43.
- (ii) In case he does not set up practice or is not entitled to train articled assistant(s) under Regulation 43, the articled assistant(s) engaged by him shall serve the chartered accountant in practice who has executed the deed of articles as required under Regulation 46(1) as the second principal. In such a case the statement in the form approved by the Council shall be sent to the Secretary for registration within 30 days from the date of change in the status of the principal or within such extended time as the Secretary may determine.

**F. Industrial Training (Regulation 51 & 72)**

An associate member who has been a member of the Institute for a continuous period of 3 years and employed in an approved financial, commercial or industrial organisation is eligible to train one industrial trainee. Similarly, a fellow member is eligible to train two industrial trainees at a time, whether such trainee be articled assistant or audit assistants.

**G. Certificate of Service to Articled/Audit Assistant (Regulation 51, 56, 61 & 75)**

The members training articled / Audit assistant Industrial Trainee are required to issue service certificate in the appropriate Forms viz. Form 105, 108, 109 and 114 in favour of articled/audit or industrial trainee as the case may be. The onus rests with the member in this regard.

In case the Principal has not forthwith issued the Certificate prescribed under Regulation 61, on completion or termination of articles, the articled assistant shall make a request in the form 119 or 120 (as the case may be) approved by the Council, within 15 days of such completion or termination, to the principal, under intimation to the Secretary by registered or speed post, for issue of such certificate of service and the principal shall in any case, issue the certificate of service within three months of such completion or termination:

Where no such certificate is received by the Secretary within fifteen days of expiration of the period specified above, the certificate shall be deemed to have been issued on the date specified by the articled assistant, and an intimation to that effect shall be sent to the principal.