HOW TO MAKE USE OF THE FILE

Undertake the following steps -

1. Approach each schedule and if possible, each part on separate day
2. Try to remember the key words (given in bold & capital font) along with the Clause no., Part no. and Schedule No.
3. Next, try to remember the whole Outline
4. Finally, go for each schedule in details

OUTLINE

SCHEDULE I

PART	I - CA IN PRACTICE											
CLAUSE NO.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
A CA IS DEEMED TO BE GUILTY OF PROFESSIONAL MISCONDUCT IF HE....	Allows any person to practice in his **NAME**	Pays / **ALLOWS** any share, commission or brokerage in fee/profits to any person	**ACCEPTS** any part of profits of a person	Enters into **PARTNERSHIP** with any person	**SECURES** any professional business	**SOLICITS** client or professional work	> **ADVERTISES** > Uses any **DESIGNATION** other than CA	Accepts a **POSITION** as auditor	Accepts an **APPOINTMENT**as auditor of a company	Charges or accepts **FEES** based on profit, findings or results	Engages himself in any **BUSINESS** / occupation	Allows any person to **SIGN** any FS on his or his firm's behalf

PART	II - CA IN SERVICE		III - CA GENERALLY			III - MEMBERS GENERALLY	
CLAUSE NO.	**1**	**2**	**1**	**2**	**3**	**1**	**2**
A CA IS DEEMED TO BE GUILTY OF PROFESSIONAL MISCONDUCT IF HE....	Pays or allows any share in the **EMOLUMENTS** to any person	**ACCEPTS** any part of fee, profit or gains	Acts as a **FELLOW** of the Institute	> Does not **SUPPLY** information called for > Does not comply with the **REQUIREMENT** asked for	Gives information knowing it to be **FALSE**	Held **GUILTY** for an offence punishable <= 6 months	Brings **DISREPUTE** to profession / Institute

SCHEDULE II

PART	I - CA IN PRACTICE									
CLAUSE NO.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
A CA IS DEEMED TO BE GUILTY OF PROFESSIONAL MISCONDUCT IF HE....	**DISCLOSES** infromation to any person	**CERTIFIES** or Submits a report	Permits use of his or his firm's name with regard to **ESTIMATE** of earnings	Express his opinion on FS of **SUBSTANTIALLY INTERESTED** business	Fails to disclose a **MATERIAL FACT**	Fails to report a material **MISSTATEMENT**	> Does not exercise **DUE DILIGENCE** > is grossly **NEGLIGENT**	Fails to obtain **SUFFICIENT INFORMATION**	Fails to invite attention to **MATERIAL DEPARTURE**	> Fails to keep **MONIES** of his client > Fails to use such monies

PART	II - CA GENERALLY				III - MEMBERS GENERALLY
CLAUSE NO.	**1**	**2**	**3**	**4**	
A CA IS DEEMED TO BE GUILTY OF PROFESSIONAL MISCONDUCT IF HE....	**CONTRAVENES** any of the provisions	Discloses **CONFIDENTAIL INFORMATION**	Provides any **FALSE PARTICULARS**	Defalcates or **EMBEZZLES** money	Held **GUILTY** for an offence punishable > 6 months

SCHEDULE I

PART	CLAUSE NO.	IN GENERAL	SPECIFICATIONS	EXCEPTIONS
A CA IS DEEMED TO BE GUILTY OF PROFESSIONAL MISCONDUCT IF HE….				
I - CA IN PRACTICE	**1**	Allows any person to practice in his name		Such person is: > a CA & > is his partner OR his employee
	2	Pays / allows any share, commission or brokerage in fee/profits to any person	> Even agreement to pay/allow included > Mode - Directly or indirectly > Fees/profits of his professional business alone to be considered	Payment to: > a CA > Partner > Retired Partner > Legal Representative of deceased partner > Member of any other professional bodies > Such persons with pescribed qualifications
	3	Accepts any part of profits of a person	> Even agreement to accept included > Profits of professional work alone of such person is disqualified	Accepts such profit from Member of the Institute
	4	Enters into partnership with any person	-	Partnership with: > CA in practice > Member of any other professional body having prescribed qualification > Person resident without India who but for his residence abroad would be entitled to be registered as a member u/s 4(i)(v) > Person whose qualifications are recognized by CG / Council
	5	Secures any professional business	Secures such business - > Through services of a person > By means not open to a CA	Secures such business through - > an employee > a partner
	6	Solicits client or professional work	> Mode - Directly or Indirectly > Medium - circulars, advertisements, personal communication, interview or any other means	> Applies / requests / invites / secures **professional works** from another **CA in practice** > Responds to tenders or inquiries issued by the various **users of professional services** or organizations and secure professional work as a consequence
	7	> Advertises	Professional attainments or services	May Advertise through **write ups** setting out the services provided by him or his firm and particulars of his firm **subject to** such **guidelines** as may be issued by the council
		> Uses any designation other than CA	Uses such designation on - - Visiting Cards - Letter heads - Sign Boards	Writes down - > any degree of university established by law in India or recognized by CG > title indication membership of ICAI / any other institution recognized by CG or Council
	8	Accepts a position as auditor	The position was previously held by another CA or restricted state auditor	If he communicates with such previous auditor in writing
	9	Accepts an appointment as auditor of a company	-	Ascertains from such company whether requirements of Sec 225 have been complied with
	10	Charges or accepts fees based on profit, findings or results	> Even offer to charge/accept included >Only professional employment fees are considered	> Permission may be granted under any regulations
	11	Engages himself in any business / occupation	-	> engages in profession of CA > Engages in any other business / occupation with the permission of council > Can be a director (not MD / WTD) of a company where he / his partner is not the auditor
	12	Allows any person to sign any FS on his behalf or on behalf of his firm		Such person is a member of the Institute and is his partner
II - CA IN SERVICE	**1**	Pays or allows any share in the emoluments to any person	> Even agreement to pay/allow included > Mode - Directly or indirectly	-
	2	Accepts any part of fee, profit or gains from specified persons	> Even agreement to accept included > Specified person - - a CA - a Lawyer - a broker engaged by his employer - an agent engaged by his employer - a customer of his employer > Accepts by way of commission or gratification	-
III - CA GENERALLY	**1**	Acts as a fellow of the Institute	Even though not a fellow of the Institute	-
	2	> Does not supply information called for > Does not comply with the requirements asked for	When such call or requirement is from - > Institute > Council or any of its Committees > Constituents of Disciplinary Procedure Mechanism - Director(Discipline), Board of Discipline, Disciplinary Committee, Appellate Authority > Quality Review Board	-
	3	Gives information knowing it to be false	Gives such information while - > inviting professional work from another CA > Responding to tenders or inquiries > Advertising through a write-up or anything as provided in Cl. 6 and Cl. 7 of Part I of Sch I	-
IV - CA IN GENERAL	**1**	Held guilty for an offence	> Whether he is in practice or not > adjudged by a civil or criminal court > punishable with imprisonment <= 6 months	-
	2	Brings disrepute to profession / Institute	> Whether he is in practice or not > disrepute due to his actions > actions may be related or unrelated to his professional work > guilty if Council has such an opinion	-

SCHEDULE II

PART	CLAUSE NO.	IN GENERAL	SPECIFICATIONS	EXCEPTIONS
A CA IS DEEMED TO BE GUILTY OF PROFESSIONAL MISCONDUCT IF HE….				
I - CA IN PRACTICE	**1**	Discloses infromation to any person	> Only Information that is acquired in course of his professional engagement is considered	Discloses such information - > to his client > to a third party if - - Permitted by his client - Required by Law
	2	Certifies or Submits a report	> Submits in his or his firm's name > Report on the examination of FS	Examination of FS and related records made by - > himself > his partner > his employee > Another CA in practice
	3	Permits use of his or his firm's name with regard to estimate of earnings	> Estimate contingent upon future transactions > belief that he voucher for the accuracy of the forecast	-
	4	Express his opinion on FS of substantially interested business	A substantial interest in the business held by either - > himself > his firm > a partner in his firm	-
	5	Fails to disclose a **material** fact	Such material fact - > is known to him > disclosure is not made in the FS > disclosure is necessary in making such FS where he is concerned with that FS in a professional capacity	-
	6	Fails to report a **material** misstatement	Such material misstatement - > is known to him > appears in a financial statement with which he is concerned in a professional capacity	-
	7	> Does not exercise **due diligence** > is **grossly** negligent	In conduct of his professional duties	-
	8	Fails to obtain sufficient information	Nature of information - > is necessary for expression of opinion > its exception sufficiently material to negate expression of opinion	-
	9	Fails to invite attention to material departure	Departure from applicable GAAP(audit)	-
	10	> Fails to keep monies of his client > Fails to use such monies	> Monies of clients should be kept in **separate** bank account > such monies should be used only for purposes for which they are intended > such monies should be used within a **reasonable time**	Monies of his client by way of - > Fees > Remuneration > Monies meant to be expended
II - CA GENERALLY	**1**	Contravenes any of the provisions	> of this Act or Regulations made thereunder > Any guidelines issued by the Council	-
	2	Discloses confidential information	> Is employed with a Co, firm or person > discloses information acquired in the course of his employment	> When required by any law > When permitted by the employer
	3	Provides any false particulars	> Provides it knowing it to be false > Provides it in any communication such as - - information - statement - return - form > Such communication is made to - - Institute - Council - any of Council committees - Director (Discipline) - Board of Discipline - Disciplinary committee - Quality Review Board - Appellate Authority	-
	4	Defalcates or embezzles money	Received in his professional capacity	-
III - Members Generally		Held guilty for an offence	> Whether he is in practice or not >adjudged by a civil or criminal court > punishable with imprisonment > 6 months	-