A Quick Revision of Schedules to The Chartered Accountant Act, 1949

The First Schedule

Clauses	Part-1 (Professional Misconduct for CA in Practice)	Part-2 (Professional Misconduct for CA in Service)	Part-3 (Professional Misconduct for CA Generally)	Part-4 (Other Misconduct)
	A CA in practice is deemed to be guilty of professional misconduct if he………	A CA in service is deemed to be guilty of professional misconduct if he………	A CA is deemed to be guilty of professional misconduct if he………….	A member of the institute, whether in practice or not, is deemed to be guilty of other misconduct if he………
Clause-1	**PERMITTING OUTSIDER TO USE FIRM NAME** *Allows any person to practice in his name as a CA in practice unless he is also a **CA in practice** and is in **partnership** with or **employed** by him.*	**SHARING SALARY WITH OTHERS**: *Pays or allows or agree to pay directly or indirectly to any person any **share in emoluments** of employment undertaken by him.*	**NOT BEING FCA BUT ACTS AS FCA** *Not being fellow of Institute but acts as fellow of Institute.*	**GUILTY BY A CIVIL OR CRIMINAL COURT**: *Is held **guilty by a Civil or Criminal** Court for an **offence** which is **punishable** with **imprisonment** for a term **not exceeding 6 month**;*
Clause-2	**SHARING FEES WITH OTHERS** *Pays/allows or agree to pay/allow, directly/indirectly, any **share**, **commission** or **brokerage** from his **fees** or **profit** of his professional business to any person **OTHER THAN*** *a Member of institute or* *a Partner or* *a Retired Partner or* *a legal representative of deceased partner or* *a member of any other professional bodies or* *a person having such qualification as prescribed for the purpose of rendering such professional services from time to time **in or outside India.***	**SHARING FEES OF OTHERS:** *Accept or agree to accept any part of **fees, profit or gains** from* *a lawyer* *a CA,* *a Broker engaged by such company, firm or person* *or an agent or a customer of such company, firm or person* ***By way of commission or gratification**.*	**NOT PROVIDING INFORMATION TO ICAI:** *Does not **supply** information called for, or does not **comply** with requirements asked for by the **Institute**, **Council** or any of its **committees**, **Director(Discipline)**, **Board of Discipline**, **Disciplinary** Committee, or **Quality Review Board** or **Appellate** Authority.*	**DISREPUTE TO PROFESSION OR INSTITUTE** : *In the **opinion** of the **Council**, **bring disrepute to the profession** or the institute as a result of **his action** whether or not related to his professional work.*
Clause-3	**SHARING FEES OF OTHERS:** *Accept or agree to accept any **part of profits** of professional work of a person who is not a member of institute* ***Except from*** *A Member of any other professional body or* *A personal having such qualification as may be prescribed by council or Government*		**GIVING FALSE INFORMATION TO OUTSIDERS** *While **inviting professional work** from another CA or while **responding to tenders or inquires** or while **advertising** through a write up, or anything as provided in clause 6 and clause 7 of Part 1 of this Schedule, **giving information knowing it to be false**.*	
Clause-4	**PARTNERSHIP IN AND OUTSIDE INDIA:** *Enters into partnership, in or outside India, with any person **other than*** *. A CA in practice or* *.a Member of any other professional body having such qualification as may be prescribed,* *. a person who a resident member of institute residing abroad but entitled to be registered as a member of institute u/s 4(1)(v) or* *. Whose qualifications are recognized by CG or the Council for purpose of permitting such partnership*			

Clause-5	**SECURING WORK THROUGH WRONG MEANS WRONG PERSON** *Secures any professional business through services of a person who is **not a partner** or **employee** of such CA, or by **means not open to a CA**.*			
Clause-6	**SOLICITS CLIENTS OR PROFESSIONAL WORK**: *Solicits **clients** or **professional work**, directly or indirectly by **circulars**, **advertisement**, **personal communication**, **interview** or any other means.* *However, He can **a**pply/**r**equest/**i**nvite/**s**ecure any professional work from any other **CA in practice**, or **respond to tenders/enquiries** issued by various users of professional services or organizations and secure professional work as a consequence.*			
Clause-7	**DISCLOSURE OF PROFESSIONAL ACHIEVEMENT AND USING ANY OTHER DESIGNATION** *Advertise his **professional attainments** or **services**, or Uses any **designation** or **expression** other than CA on **Professional documents**, **Visiting Cards**, **Letter Heads**, or **Sign Board**.* *However, He can use any degree of university established by law in India or recognized by CG or a title indicating membership of ICAI/any other institution recognized by CG/Council.* *Provided, He **may** advertise through a **write-up**, **setting out services provided** by him or by his firm and particulars of his firm **subject to such guidelines** as may be issued by the councils.*			
Clause-8	**ACCEPTANCE WITHOUT COMMUNICATION** : *Accept a **position** as an auditor **previously held by another** Chartered Accountant or a **Restricted State Auditor** without first **communicating** with him **in writing.***			
Clause-9	**ASCERTAIN COMPLIANCE OF SEC. 139:** *Accept an **appointment** as an auditor of a company **without first ascertaining** from it whether **requirement of Sec.224 (139) & Sec. 225(140)** in respect of **such appointment** have been duly **complied** with.*			
Clause-10	**FEES CONTINGENT UPON FUTURE FINDINGS:** *Charges or offers to charge, accept or offer to accept with respect to any professional employment, **fee** which are **based on % of profit** or **contingent upon findings** or **results** of such employment **except** in cases which are **permitted** under **regulations (192)***			
Clause-11	**NOT TO ENGAGE IN OTHER BUSINESS OR OCCUPATION:** ***Engages** himself in any **Business or Occupation** other than profession of CA **unless permitted** by Council so to engage.*			
Clause-12	**SIGNING BY OTHERS**:			

	*Allows a person not being **a member of institute** in practice or a member not being his **partner** to **sign** on his behalf or on behalf of his firm. Any **Balance sheet**, **Profit of Loss** Account, **Report** or **Financial Statements.***			

The Second Schedule

Clauses	Part-1 (Professional Misconduct for CA in Practice)	Part-2 (Professional Misconduct for CA Generally)	Part-3 (Other Misconduct)
	A CA in practice is deemed to be guilty of professional misconduct if he………	**A CA is deemed to be guilty of professional misconduct if he……………**	**A member of the institute, whether in practice or not, is deemed to be guilty of other misconduct if he………**
Clause-1	**DISCLOSURE OF CONFIDENTIAL INFORMATION** ***Discloses information acquired** in the course of **professional engagement** to any person **other than his client** so engaging him **without consent** of **his client** or **otherwise** than **as required by any law** for time being in force.*	**CONTAVENTION OF ACT / REGULATIONS /GUIDELINES:** *Contravenes any of the **provisions** of this **Act** or **Regulations** made there under, or any **guidelines** issued by the council.*	**GUILTY BY CIVIL/ CRIMINAL COURT** *Is held **guilty** by any **civil** or **criminal Court** for an **offence** which is **punishable** with **imprisonment** for a term **exceeding 6 months.***
Clause-2	**CERTIFICATION OF FINANCIAL STATEMENT WITHOUT EXAMINATION** ***Certifies** or **submits** in his/his firm's name a **report** of an **examination of financial statement unless examined** by him, his partner, his employee or any other CA in practice (Joint Auditor).*	**DISCLOSE CONFIDENTIAL INFORMATION ACQUIRED IN THE COURSE OF HIS EMPLOYMENT:** *Being an Employee of **Company**, **firm** or **person discloses confidential information** acquired in the course of his **employment** except as and when **required by any law** or as **permitted by the employer**.*	
Clause-3	**CERTIFICATION WITHOUT EXAMINATION OF PROSPECTIVE DATA :** *Permits his/his firm's name to be used in connection with an **estimate of earnings** contingent upon **future transaction** in a **manner** which may **lead to the belief** that he **vouches** for the **accuracy of forecast**.*	**FALSE PARTICULARS TO INSTITUTE:** *Includes in any **Information**, **Statement**, **Return** or **Forms** to be **submitted to** Institute, Council, any of its Committees, Director (Discipline), Board of Discipline, Disciplinary committee, Quality Review Board or Appellate Authority any **particulars knowing them to be false.***	
Clause-4	**SUBSTANTIAL INTEREST:** *Expresses his **opinion** on financial statement of any **business** or **enterprise** in which **he**, **his firm**, or **a partner of his firm** or has a **substantial interest**.*	**DEFALCATES OR EMBEZZLES MONEY:** ***Defalcates** or **embezzles** money received in his **professional capacity**.*	
Clause-5	**FAIL TO DISCLOSE MATERIAL FACT :** ***Fails to disclose material fact known to him** which is **not disclosed in financial statement** but **disclosure** of which is **necessary** in **making** financial statement **not misleading** where he is concerned with that financial statement **in professional capacity***		
Clause-6	**FAIL TO REPORT MATERIAL MISSTATEMENT:** ***Fails to report** a **material misstatement** known to him **to appear** in a financial statement with which he is concerned **in professional***		

	capacity.		
Clause-7	**<u>DUE DILIDENCE/ GROSSLY NEGLIGENCE:</u>** *Does not exercise **due diligence** or is **grossly negligent** in conduct of his **professional duties**.*		
Clause-8	**<u>FAILS TO OBTAIN SUFFICIENT INFORMATION TO WARRANT HIS EXPRESSION:</u>** *Fails to obtain **sufficient information** which is **necessary for expression of an opinion** or its **exceptions** are sufficiently **material to negate** the **expression of an opinion**.*		
Clause-9	**<u>ATTENTION TO MATERIAL DEPARTURE:</u>** ***Fails to invite attention** to any **material departure** from **Generally Accepted Procedure of Audit** applicable to circumstances* .		
Clause-10	**<u>FAIL TO KEEP CLIENT MONEY OF CLIENT IN SEPARATE BANKING ACCOUNT:</u>** *Fails to keep **moneys of his client** other than **fees** or **remuneration** or **money meant to expended,** in a **separate banking account** or to **use such moneys** for **purposes** for which they are **intended** within a **reasonable time*** .		