ICAI Code of Conduct

for

Elected, Nominated and Co-opted Representatives
ICAI Code of Conduct for Elected, Nominated and Co-opted Representatives

Preamble

The Institute of Chartered Accountants of India (ICAI) is a statutory body established under The Chartered Accountants Act, 1949 for the regulation of the profession of Chartered Accountants in India. The Institute has achieved recognition as a premier accounting body.

The Institute functions through Council at its Headquarters at New Delhi, five Regional Councils, Branches spread all over India and the overseas chapters.

The Council, Regional Councils and Managing Committees of the Branches are the constituted bodies of the Institute, and which lead the profession on behalf of its members. Such constituted bodies are statutorily entrusted with the duty to carry out the objectives of the Act. The Representatives have the privilege and responsibility to adhere with the objectives of the Act.

The Representatives are leaders, trustees and face of the profession. They are expected to regulate, promote and protect the image of the profession. These Representatives shall lay down for themselves a high standard and are expected to conduct themselves in an exemplary manner which will ensure public confidence as well as the trust of the members towards this regulatory body of the profession of the Chartered Accountants.

Objective & Scope

The challenges being faced by our profession in the global and domestic economy require a greater need for efficiency, accountability and integrity in the profession of Chartered Accountancy. It is therefore important that the Representatives of the Institute shall conduct themselves in a way which will enhance the image of the profession.

In this context, the objective of this Code of Conduct is to assist, regulate & guide the Representatives in discharging their obligations and responsibilities to the constituted body, their constituents and the public at large by:

a) providing guidance on the standards of conduct expected from the Representatives in discharging their statutory and public duties;
b) ensuring accountability necessary to strengthen public confidence in the way in
which Representatives perform those duties.

This Code of Conduct applies to Representatives in all aspects of their public life to
maintain the culture of honesty, integrity and accountability. Needless to say, this Code
of Conduct is in addition to the Institute’s Code of Ethics applicable to the members of
the Institute.

**Clause 1:- Applicability**

This Code of Conduct shall apply to all Representatives.

**Clause 2:-**

**(1) Definitions**

b) ‘Code of Conduct’ means the Code of Conduct for Representatives of the
constituted bodies of Institute.
d) ‘Conflict of self-interest’- A conflict of self-interest exists where the interest or
benefits of one person or entity conflicts with the interest or benefits of the
Institute. ‘Conflict of self-interest’ shall be deemed to exist when any commercial
transaction is undertaken between the Institute and/or its organs and such
Representative, or his relative, or an entity where such Representative or his
relative is interested.
e) ‘Constituted body’ means Council, Regional Councils and Managing Committees
of the Branches of Institute.
f) ‘Institute’ means the Institute of Chartered Accountants of India constituted
under The Chartered Accountants Act, 1949.
g) ‘Privileged information’ means any information which is not in public domain or
knowledge and which can be used (i) to influence the members’ or students’
decision in relation to the Institute / professional matters /students’ career, or (ii)
by any other person or entity.
h) ‘Relative’ means a person shall be deemed to be a relative of another if (i)
he/she is immediate family member, i.e. a spouse; or close family member, i.e.
Parent, Child or sibling; and (ii) financially dependent, if he/she is not a close or
immediate family member.
i) ‘Rules’ means rules issued by Central Government under section 29A of The
Chartered Accountants Act, 1949.
k) “Representatives” for the purpose of this Code refers to the elected and nominated members to the Council, Regional Councils and Managing Committees of Branches. Representatives shall also include members nominated by the Institute to other bodies, Co-opted members of the Committees of Council, Regional Councils, Branches and Committees of Overseas Chapters, Convenors / Deputy Convenors of Study Circles and CPE Chapters, and of any other organs or establishments of Institute within or outside India.

(2) All words and expressions used herein and not defined in the Code of Conduct shall have the meanings respectively assigned to them in the Act, Rules and Regulations.

(3) The General Clauses Act, 1897 (X of 1897) shall apply, so far as may be, to the interpretations of provisions of this Code.

Clause 3:- General Guiding Principles

To carry out their solemn responsibility, the Representatives shall uphold the following principles—

(a) **Integrity**: The Representatives shall act solely in accordance with their duties to the public interest and to the wider interest of the Institute. They shall not seek to gain personal advantage for themselves; or other individuals, including partners, relatives, friends and employees; or organizations in which they have pecuniary interest and with which they are related in functioning as a constituted body member. They shall always take appropriate steps to resolve any conflicts that may arise e.g. not to participate in the meeting relevant to such matter.

(b) **Objectivity**: The Representatives shall take decisions on merit. In this endeavour, they may also seek and be guided by the views of others. They shall decide what view to take on any question after consideration of the issues.

(c) **Transparency**: The Representatives shall declare any private or personal interests relating to any issue under consideration and shall not seek information for their personal gain.

(d) **Accountability**: The Representatives are individually and collectively accountable for their decisions and actions.

(e) **Leadership by example**: The Representatives shall support and promote the reputation of the Institute through ‘leadership by example’ by virtue of their professional competence and knowledge.

(f) **Ethical values**: The Representatives shall discharge their duties and fulfil obligations to the Institute with due care and diligence and each of the Representatives is expected to strive to promote and encourage development of ethical culture in the Institute and the profession of Chartered Accountants.
(g) **Independence**: Independence refers to Independence of mind and Independence in appearance.

**Clause 4:- Compliances**

The Representatives shall comply with the provisions of this Code of Conduct. Further,

a) They are under duty to respect and comply with prevailing laws, rules, regulations and the ethical standards applicable to the profession.

b) They shall follow such practices and professional conduct which benefit the country, localities and communities in which they operate and shall be in accordance with the laws of the land.

**Clause 5:- Conflict of Self-Interest**

a) The Representatives shall avoid any conflict of self-interest.

b) Any situation that involves or may involve a conflict of self-interest shall be disclosed immediately on such conflict coming to the notice of the Representative.

c) No Representative shall use the influence of office for any purpose other than for the exercise of official duties.

d) If the Representative has interest in any issue, he shall restrain himself from participating in any related proceeding and voting in the matter.

**Clause 6:- Gifts and Hospitality**

a) The Representative or his relative/partner shall not accept a fee, advance, gift or personal benefit that is connected directly or indirectly with the performance of his official duties, unless permitted by the exceptions listed below.

For this purpose, a fee or advance paid to or a gift or benefit provided with the Representative’s knowledge to his relative is deemed to be a gift to that Representative.

Following are the exceptions to above:-

i. Compensation authorized by law;

ii. Gifts or benefits that normally accompany the responsibilities of office and are received as an incident of protocol or social obligation;

iii. A memento in a function honouring the Representative;

iv. Food, lodging, transportation and entertainment provided by the Central / State Governments or by a foreign government within a foreign country, or by a conference / seminar / event organizer or by ICAI where the Representative is either speaking or attending in an official capacity;
v. Food and beverages consumed at the Institute’s official functions, seminars, conferences, banquets, receptions or similar events.
vi. Invitations from business associates of the constituted body.

**Note:** In any of the above exceptions given in (ii) and (iii), where the monetary value of Gifts/ Hospitality in aggregate exceeds Rs. 75,000 the Representative shall immediately file a disclosure to the Secretary of the Institute.

**Clause 7: Monetary Benefit**

The Representatives shall not obtain any direct or indirect monetary benefit from the constituted body or its activities except to the extent approved by Institute.

**Clause 8: Professional Behaviour**

The Representatives shall endeavour to deal fairly with the Institute’s members, students and staff of the Institute. All Representatives shall observe the highest standards of professional ethics.

**Clause 9:- Social activities.**

a) The Representatives shall conduct themselves in such a manner so as to uphold the grace, dignity and professional standing of the Institute.

b) No Representative shall participate in social activities except in his individual capacity. The assets & resources of the Institute shall not be utilised for any political purposes. Such assets & resources of the Institute may be used for social purposes for furtherance of interest of the Institute, with a prior approval of the Constituted Body.

The Representatives shall not promote themselves and/or their personal interests while carrying out Institute’s activities.

**Clause 10:- Management and use of Institute’s resources.**

a) The Representatives shall exercise due care and diligence in managing and putting to use the Institute’s funds.

b) The Representatives shall ensure to maintain financial discipline and also to guide the ICAI staff to observe budgetary and financial discipline.

c) The Representatives shall not do anything that may lead to the Institute’s resources being used for direct or indirect personal benefit.

d) The Representatives shall not charge any personal expenses incurred by them.

**Clause 11:- Confidentiality**
a) The Representatives are prohibited to use or furnish to others on the basis of any privileged information, before it is made available to the public.
b) The privileged information, discussions, documents and data should be dealt with utmost care and should not be shared or passed on to any person or outsider under any circumstances, directly or indirectly, except for the Institute’s work.

Clause 12: Meetings

The Representatives shall strive to attend all meetings of the constituted body regularly and participate diligently and conscientiously so as to contribute for the development and regulation of the profession of Chartered Accountants.

Clause 13: Administration

The Code shall come into effect from 1st January, 2017, and shall be advisory in nature. The Code shall be administered by the Secretary, ICAI.

*****