**Fundamental Principles**

**Q. What are the Fundamental Principles which a Professional Accountant is required to comply?**

A. A professional accountant is required to comply with the following fundamental principles:
   (a) Integrity
   (b) Objectivity
   (c) Professional Competence and Due Care
   (d) Confidentiality
   (e) Professional Behaviour

**Q. What is Independence?**

A. Independence requires:

   **Independence of Mind** – The state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgment, allowing an individual to act with integrity, and exercise objectivity and professional skepticism.

   **Independence in Appearance** – The avoidance of facts and circumstances that are so significant that a reasonable and informed third party, having knowledge of all relevant information, including safeguards applied, would reasonably conclude a firm’s, or a member of the assurance team’s, integrity, objectivity or professional skepticism had been compromised.

**Know Your Client (KYC)**

**Q. Whether there are any “Know Your Clients” norms for the members in practice? If, yes, to which assignments thereof are they applicable?**

A. Yes, the institute has “Know Your Clients” (KYC) norms for the members, these are applicable to all the attest functions. The detailed norms are mentioned below:

**KYC Norms**

The financial services industry globally is required to obtain information of their clients and comply with KYC norms. Keeping in mind the highest standards of Chartered Accountancy profession in India, the Council of ICAI thought it necessary to issue such norms to be observed by the members of the profession who are in practice.

In light of this background, the Council of ICAI approved the following KYC Norms which are mandatory in nature and shall apply in all assignments pertaining to attest functions. Explanation: “Attest Functions” for the purpose of this Announcement will include services pertaining to Audit, Review, Agreed upon Procedures and Compilation of Financial Statements.

1. **Where Client is an Individual/Proprietor**
   - **General Information**
     - Name of the Individual
     - PAN No. or Aadhar Card No. of the Individual
     - Business Description
     - Copy of last Audited Financial Statement
   - **Engagement Information**
     - Type of Engagement

2. **Where Client is a Corporate Entity**
   - **General Information**
     - Name and Address of the Entity
     - Business Description
     - Name of the Parent Company in case of Subsidiary
     - Copy of last Audited Financial Statement
   - **Engagement Information**
     - Type of Engagement
   - **Regulatory Information**
     - Company PAN No.
     - Company Identification No.
     - Directors’ Names & Addresses
     - Directors’ Identification No.

3. **Where Client is a Non-Corporate Entity**
   - **General Information**
     - Name and Address of the Entity
     - Copy of PAN No.
     - Business Description
     - Partner’s Names & Addresses (with their PAN/ Aadhar Card/DIN No.)
     - Copy of last Audited Financial Statement
   - **Engagement Information**
     - Type of Engagement

These KYC Norms shall be mandatorily applicable for engagements accepted on or after 1st January, 2017

**Miscellaneous**

**Q. Whether a member in service can represent before the Income Tax Authorities on behalf of other employees /colleagues of the company?**

A. A member in service can appear as tax representative before tax authorities on behalf of the employer, but not on behalf of employees/colleagues.

**Q. Whether a member in practice can hold Customs Brokers License under section 146 of the Customs Act, 1962?**

A. No, in terms of the provisions of Code of Ethics, it is not permissible for the member in practice to hold Customs Brokers License under section 146 of the Customs Act, 1962 read with Customs Brokers Licensing Regulations, 2013.

**Q. Can a member in practice print QR (Quick Response) code on his visiting cards, facilitating easy access to information?**

A. Yes, printing of QR Code on the visiting Cards is permissible, provided that it does not contain information that is not otherwise permissible to be printed on a visiting card.