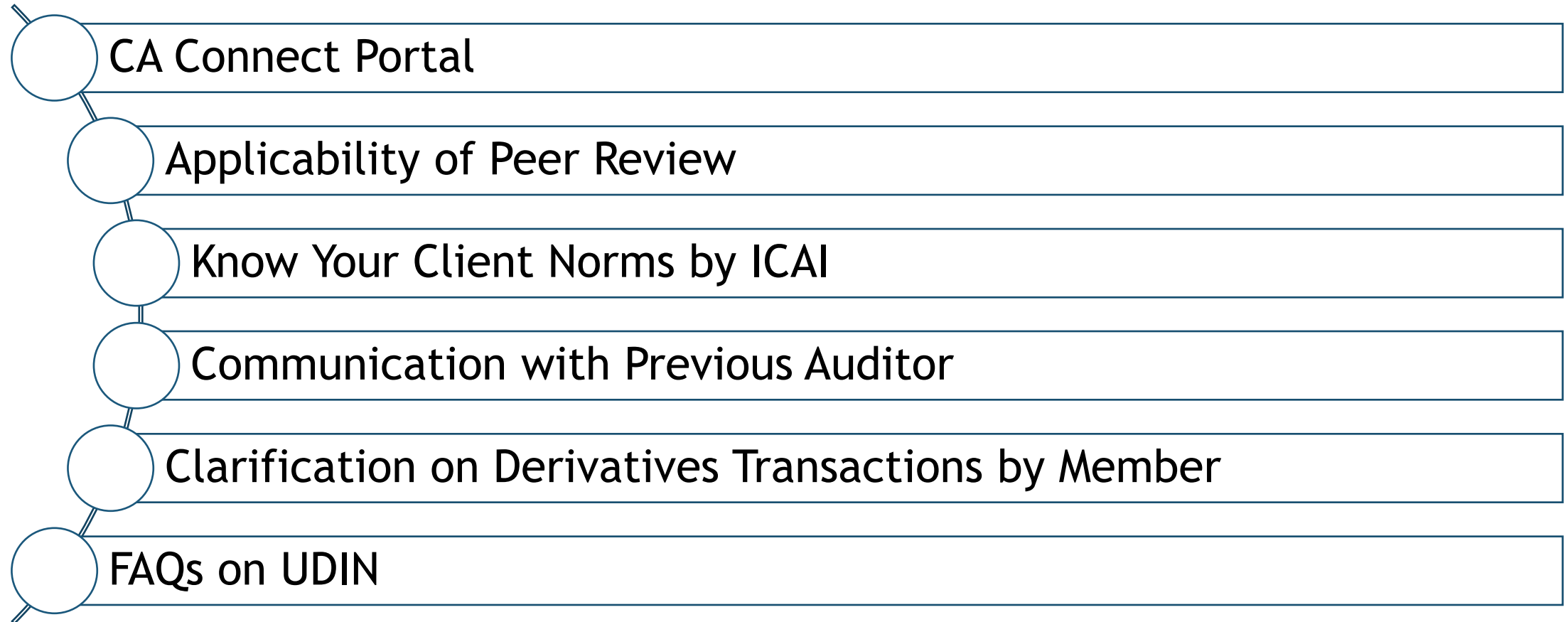


Code of Ethics

CA Sana Baqai
New Delhi

Agenda





CA Connect Portal

<https://caconnect.icaai.org/>



What is CA Connect Portal

- CA Connect Portal is an indigenous system of listing of CA Firms / Individual CA Practitioners on the platform of ICAI.
- The objective of this Website/Portal is to provide an effective platform for listing.
- It shall provide the essential bridge between clients/service receiver and Chartered Accountants.

Services Listed

Specialized Services



Arbitration



Audit



Bank Audit



Book-keeping



Business Advisory



Certification



Charities, Trust and
Not For Profit



Cloud Accounting



Corporate Laws and
LLP



Direct Tax



Foreign Trade



FEMA



Forensic Accounting &
Investigation



Inbound / Outbound
Services



Indirect Tax



Insolvency



Internal and
Management Audit



International Tax



Investment Advisory



Information
Technology Services



MSME Advisory



Payroll Services



RERA



Startup Advisory



Valuation



What is the role of ICAI with regard to CA Connect Portal?

- The role of ICAI will be limited; and ICAI will only work as a facilitator and enable search to the users based on the data / information submitted by the registered users.

A stylized map of India is shown in silhouette on the left side of the slide. Overlaid on the map is a complex network of glowing blue lines and dots, representing a digital or communication network. The dots are concentrated in certain areas, possibly representing major cities or hubs, and the lines connect them across the country.

What are the benefits for registration ?

- This Portal will provide the essential bridge between clients and Chartered Accountants.
- The prospective clients can search the services offered by Firms / Individual practitioners based on their area of expertise under one-roof irrespective of their geographical locations.
- This Portal is a platform which provides choice to clients for selection of CA Firms / Members as per their need.

Who are eligible to get enrolled on the portal?

- Individual Practitioner or firm of Chartered Accountants can get enrolled on the portal.





Who are not permitted to be enrolled on portal?

- Members who are not holding Certificate of practice, Networking firms and Companies even if registered under Corporate Form of Practice, are not permitted to get enrolled on portal.

How to get enrolled on the portal?

- Individual Practitioner/ Firm of Chartered Accountants who wants to get register on the portal should mention their membership number/FRN number with Date of Birth/Constitution date respectively at CA Connect portal to get verified their numbers.
- On successful verification of Membership number/FRN, a pre-filled form shall appear for them.
- There will be additional optional fields for Members/firms to enter viz. Area of Expertise / Specialization, professional city of working, Website Address, Social Media.
- There shall be an online declaration which the firms/individual practitioner shall be required to agree and submit.



What are the Criteria of Search available in Portal?

- Details of Members/CA Firms can be searched City-wise, where they are located and offering services, and by way of nature of services rendered by them.



-



How to change area of service/specialization?

- After login into portal, members can change their selected area of service/specialization.

Whether the place of professional address of member/CA firm will be automatically displayed in the 'Preferred City of Working' area in the Portal?

- No. Members/CA Firms will have to add the place/city in the '**Preferred City of Working**' area, including the place of professional address/Head Office.
- In other words, the search result for members/CA firms for a particular place is displayed based on the names of places/cities entered in the 'Preferred City of Working' option.





Whether this Portal will substitute the already permitted platforms for members in practice?

- No. The portal shall be in addition to, and not substitution of already permitted platforms i.e. Firm's Website, Listing on directory, Online consultancy on third party Platforms. The existing modes of listing will continue to operate.

What is the declaration submit by the member?

- Member has to submit declaration that the information furnished by them in this Portal/Website is true and correct. In the event of information being found false or incorrect at any stage, they shall be liable/responsible for the consequences and action to be taken.



**Peer
Review**



Whether Peer Review is Mandatory?

| Phase | Category of Firms Covered | Date from Which Peer Review is Mandatory |
|-------|--|--|
| I | CA Firms engaged in Statutory Audit of listed entities | 1st April 2022 |
| II | CA Firms (i) proposing Statutory Audit of unlisted public companies with having paid-up capital of not less than Rs. 500 crores or having annual turnover of not less than Rs. 1000 crores or having, in aggregate, outstanding loans, debentures and deposits of not less than Rs. 500 crores as on the 31 st March of immediately preceding financial year; OR (ii) Attestation services with 5 or more partners* | 1st April 2023 |
| III | CA Firms (i) proposing Statutory Audit of entities raising funds over Rs. 50 Crores; OR (ii) attestation services with 4 or more partners* | 1st April 2024 |
| IV | CA Firms (i) proposing audits of Public Sector bank branches; OR (ii) Attestation services with 3 or more partners* | 1st April 2025 |

* There is a pre-requisite of having Peer Review Certificate before accepting any Statutory audit.



Know Your Client (KYC) Norms by ICAI

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.

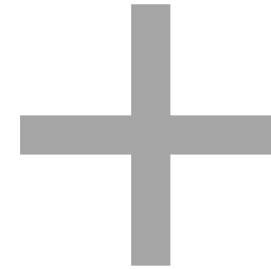


WHERE CLIENT IS AN INDIVIDUAL/ PROPRIETOR



A. GENERAL INFORMATION

- i) Name of the Individual,
- ii) PAN No. or Aadhar Card No. of the Individual,
- iii) Business Description
- iv) Copy of last Audited Financial Statement



B. ENGAGEMENT INFORMATION

- i) Type of Engagement

WHERE CLIENT IS A CORPORATE ENTITY



A. GENERAL INFORMATION

- i) Name and Address of the Entity
- ii) Business Description
- iii) Name of the Parent Company in case of
Subsidiary
- iv) Copy of last Audited Financial
Statement



B. ENGAGEMENT INFORMATION

- i) Type of Engagement



C. REGULATORY INFORMATION

- i) Company PAN No.
- ii) Company Identification No.
- iii) Directors' Names & Addresses.
- iv) Directors' Identification No.

WHERE CLIENT IS A NON-CORPORATE ENTITY



A. GENERAL INFORMATION

- i) Name and Address of the Entity
- ii) Copy of PAN No.,
- iii) Business Description
- iv) Partner's Names & Addresses (with their PAN/Aadhar Card/DIN No.)
- v) Copy of last Audited Financial Statement



ENGAGEMENT INFORMATION

- i) Type of Engagement



Communication with Previous Auditor



Communication with Previous Auditor

- Clause 8 of Part I of The First Schedule to Chartered Accountants Act, 1949 provides for Communication with the Previous Auditor:
 - ‘A chartered accountant in practice shall be deemed to be guilty of professional misconduct,
 - if he **accepts a position as auditor** previously held by another chartered accountant
 - without **first communicating** with him in **writing.**’



Is it mandatory to get NOC from previous auditor?



Clause 8 of Part I of the First Schedule of the Chartered Accountants Act, 1949 provides for communication only.



The clause provides for communication with previous auditor where he has an opportunity to safeguard his interest and also public interest.



There is no provision of NOC and it is an inherent right of client to decide its auditor and change.

Written Communication with Previous Auditors Mandatory?

- Yes, the requirement for communicating with the previous auditor would apply to all types of audits viz., statutory audit, tax audit, GST audit, internal audit, concurrent audit or any other kind of audit.
- This clause equally applies to any Bank Audit or Audit of Govt. agencies.



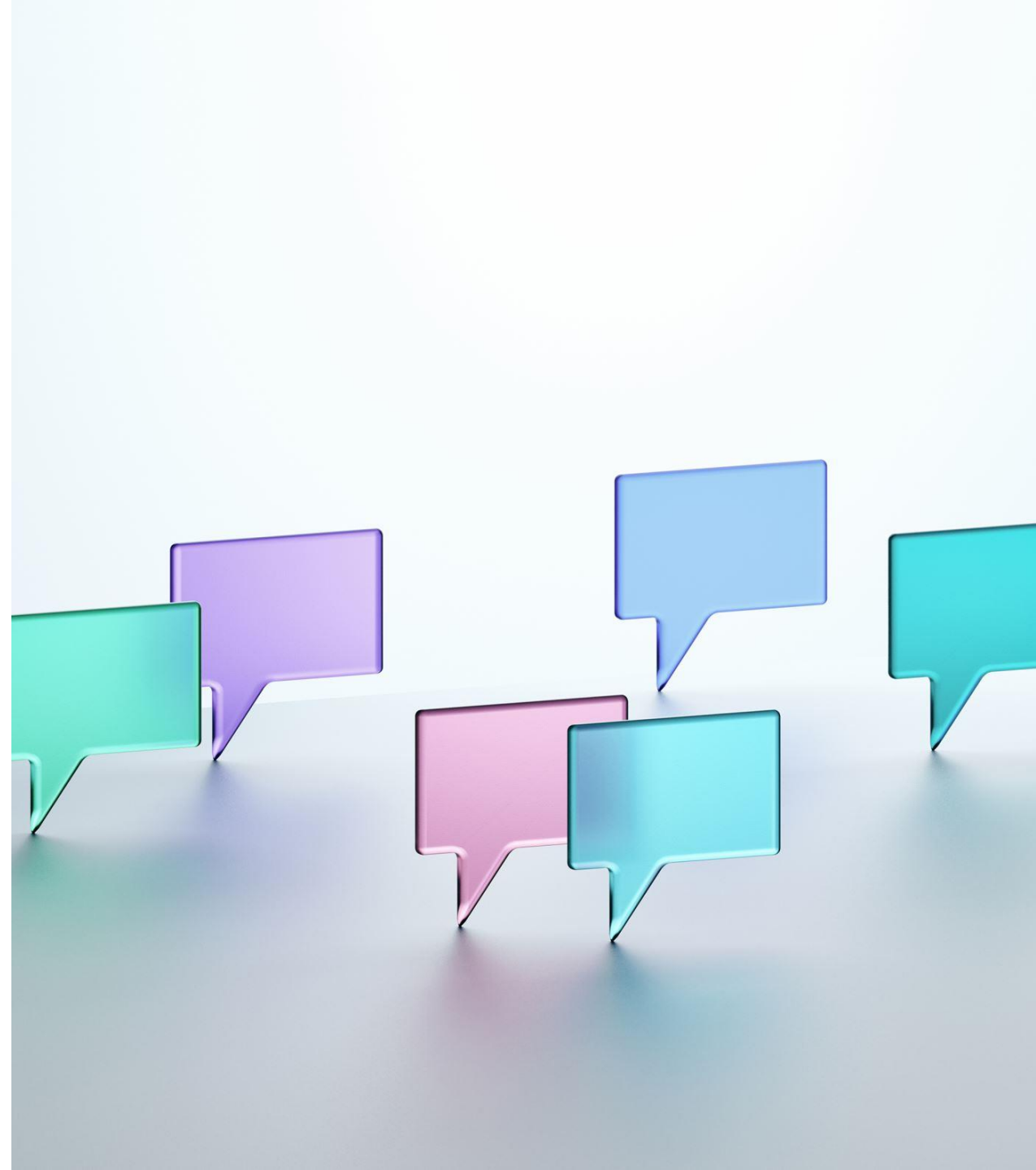
Modes of Communication

- Following are recommended ways of communication:
 - i. Delivery by hand with acknowledgement in writing
 - ii. Registered post with acknowledgement due,
 - iii. Delivery by email with read receipt due.



Whether communication with the previous auditor, is permissible vide messaging application/sms?

- No, communication vide Messaging application/ sms is not permissible as an evidence of communication being sent , as required under Clause (8) of Part-I of the First Schedule to the Act.



Whether a Chartered Accountant will be deemed to be guilty of professional misconduct if he accepts his appointment as an auditor immediately after intimating his appointment over the phone to the previous auditor?

- Yes, the member would be held guilty of professional misconduct for the following reasons:
- (a) That he had failed to communicate with the retiring auditor in writing; and
- (b) That he did not wait for a reasonable length of time for a reply to be received from him.



What is the time limit for communication with previous auditor?

Communication has to be prior to accepting audit not before signing of audit report.

Send the communication in writing and wait for a reasonable time for his response - say about 15 days.

If no reply is forthcoming from the previous auditor even thereafter, you can presume that he has no objection to your taking up the work.

In case of appointments done by Government entities/Companies/Banks or their Branches, the time for acceptance of audit is sometimes so little that there is no time to wait for the reply of the Retiring auditor. What should be the recourse in such case?

- In case the time schedule given for the assignment, is such that there is no time to wait for the reply from the retiring auditor, the incoming auditor may give a conditional acceptance of the appointment and commence the work which needs to be attended to immediately after he has sent the communication to the retiring auditor in accordance with this clause.
- In his acceptance letter he should make clear to the client that his acceptance of appointment is subject to the professional objections, if any, from the retiring auditor and that he will decide about the final acceptance after taking into account the information received from the retiring auditor.



Commodity

Index **Stock**
Futures

Currency

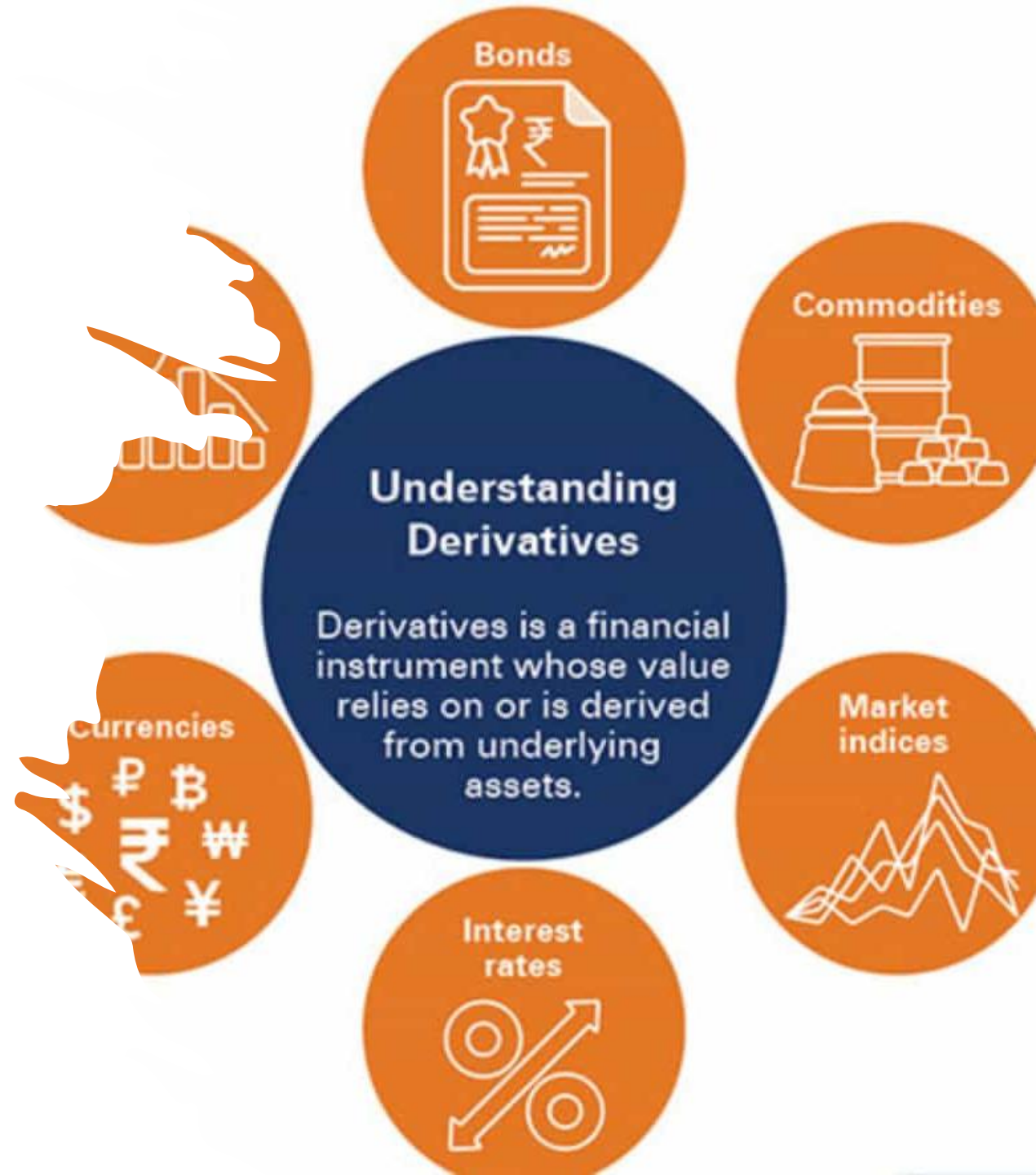
**Underlying
asset**

Derivatives

**Engaging in Derivatives'
transactions by members in
practice**

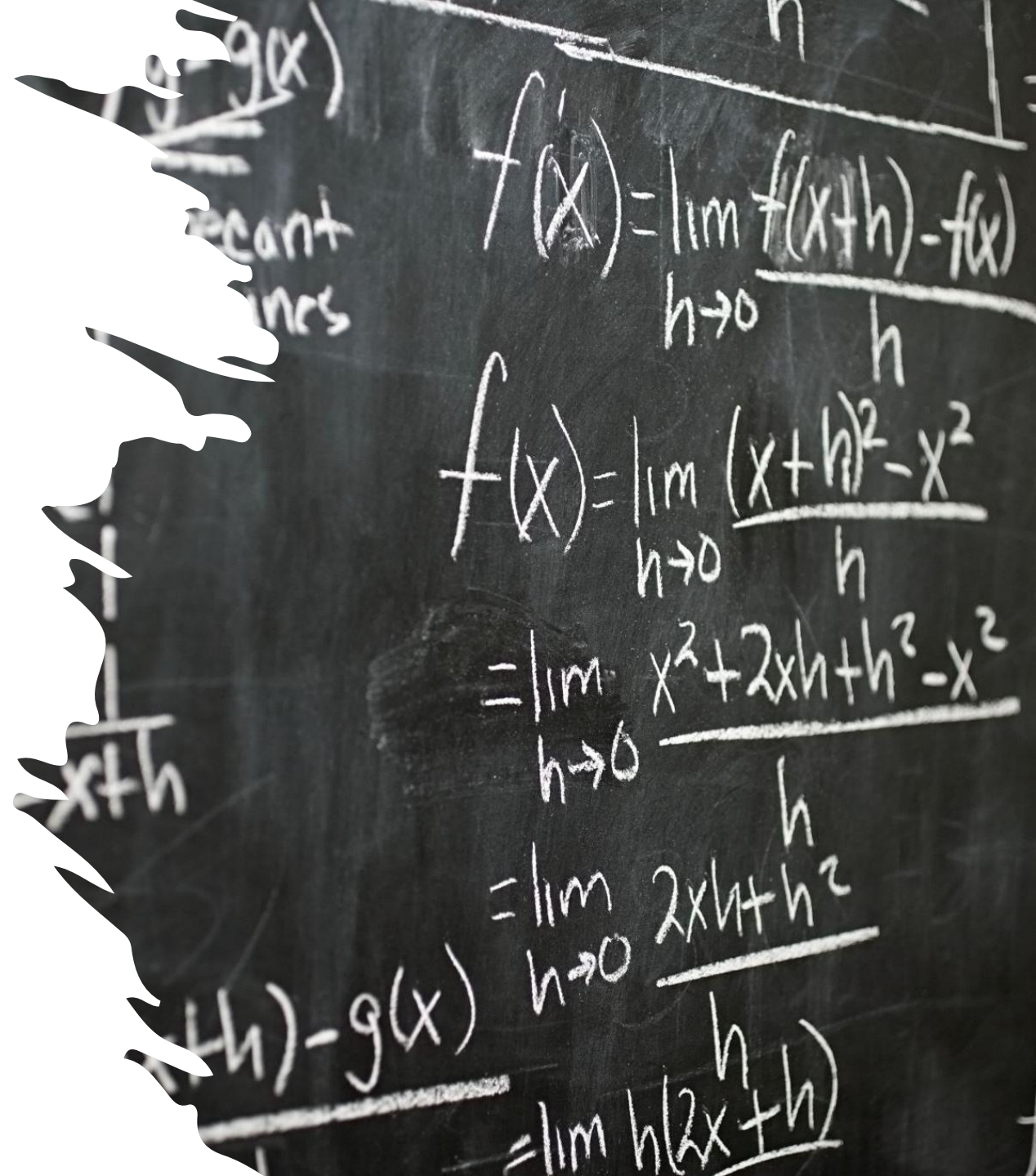
Can member in practice engage in derivative transactions?

- It is permissible for a member in practice to engage in derivative transactions in his personal capacity, but not in professional capacity i.e., for clients. Such engagement in derivatives would not be violative of provisions of Clause (11) of Part-I of First Schedule to The Chartered Accountants Act, 1949.



What are the types of derivative instruments allowed to be transacted in by members in practice?

- Members in practice are allowed to transact only in future and options derivatives.



The image shows a chalkboard with handwritten mathematical derivations. The main derivation is for the derivative of $f(x) = x^2$ using the limit definition. It starts with the general formula for the derivative, then substitutes $f(x) = x^2$, expands the numerator, and simplifies the expression to find the derivative is $2x$.

$$f'(x) = \lim_{h \rightarrow 0} \frac{f(x+h) - f(x)}{h}$$
$$f'(x) = \lim_{h \rightarrow 0} \frac{(x+h)^2 - x^2}{h}$$
$$= \lim_{h \rightarrow 0} \frac{x^2 + 2xh + h^2 - x^2}{h}$$
$$= \lim_{h \rightarrow 0} \frac{2xh + h^2}{h}$$
$$= \lim_{h \rightarrow 0} h(2x + h)$$

Other visible text on the board includes $g(x)$, h , $x+h$, and $f(x) = x^2$.

Which products of derivatives are permissible to be transacted by members in practice?

- Members in practice are allowed to transact in equity and currency derivatives.



| | | | |
|-----|---------|---------|-------|
| 058 | 154,568 | 95,054 | 124,5 |
| 487 | 56,845 | 97,511 | 125, |
| 000 | 110,000 | 99,011 | 154, |
| 450 | 150,000 | 99,216 | 9 |
| 02 | 35,000 | 101,090 | 15 |
| | 83,000 | 101,684 | 1 |
| | 45,000 | 101,962 | |
| | | 102,747 | |
| | | 006 | |



Whether members in practice are allowed to transact in commodity derivatives?

- No. It is not permissible for members in practice to transact in commodity derivative transactions.



Whether members in practice are allowed to transact in derivatives' transactions in the name of his proprietary firm or partnership firm ?

- No. Members in practice are not allowed to transact in derivatives in the name of his proprietary firm or partnership firm.

Whether members in practice allowed to transact in Index derivatives?

- Members in practice are allowed to transact in Index derivatives with respect to equity and currency.





Whether members in practice are required to seek permission from the council to transact in derivative transactions?

- No, there is no requirement to take permission from the Council.

Whether member not holding Certificate of Practice can transact in Derivative Transaction on behalf of others?

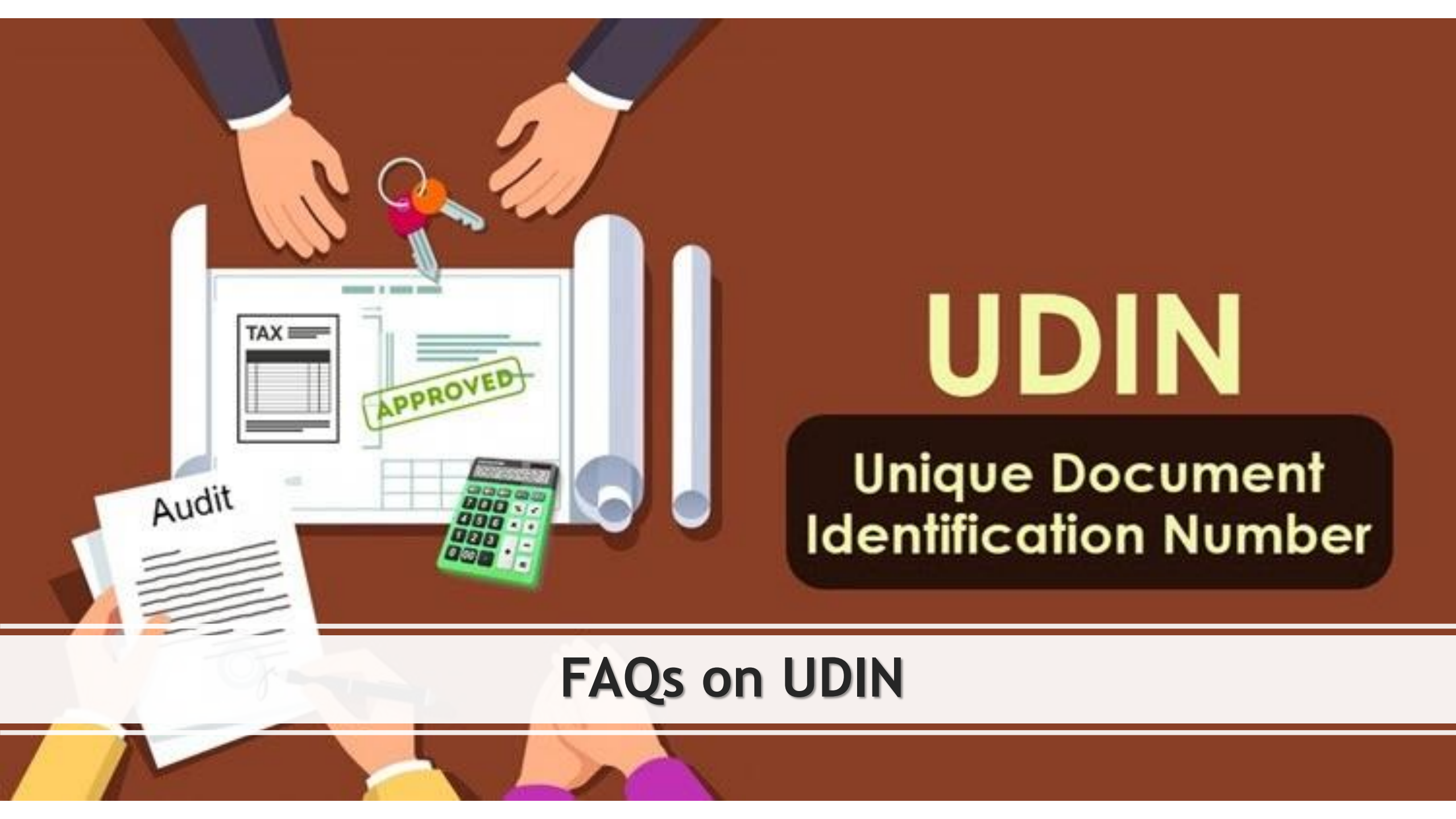
- There is no restriction for members not holding Certificate of Practice to transact in Derivatives transaction on his own account or on behalf of others.



Can members in practice advise their clients on investment in securities or other financial instrument?

- Yes, in view of the entry number (xx) of Management Consultancy and other Services u/s 2(2)(iv) of Chartered Accountants Act, 1949, member in practice is generally permitted to provide Investment counseling in respect of securities [as defined in the Securities Contracts (Regulation) Act, 1956 and other financial instruments.]
- These services can only be advisory in nature.





UDIN

Unique Document
Identification Number

FAQs on UDIN

-

A hand-drawn illustration in blue ink on a light background. It features a large magnifying glass with a thick circular lens and a handle. The lens is positioned over the word 'DRAFT', which is written in a bold, hand-drawn font. The word is partially obscured by the magnifying glass. To the left of the magnifying glass, there is a small, curved line that looks like a checkmark or a stylized '5'.

Is UDIN required on Peer Review Report?

- UDIN is not required on Peer Review Report.

How many UDINs can be generated by a CA? Is there any limit?

- There is no limit on generation of UDINs and there is no restriction on the number of UDINs to be generated.





Is UDIN required to be mentioned on every page of the Document or it can be mentioned at the last?

- UDIN shall be mentioned after Signature and Membership Number of the Member on the Report/ Certificate.

Is it possible to generate UDIN before issuing the certificate?

- There is no option to generate UDIN in advance.





What is the validity of UDIN generated?

- Generated UDIN has no expiry, unless revoked.

Is it mandatory to mention UDIN on Financial Statements in addition to Audit Reports?

- No, UDIN has to be mentioned on Audit Reports.



JOINT AUDIT



Whether separate UDIN would be required by Joint Auditor in case of Joint Audits?

- In case of joints audits, all the signing Auditors have to obtain UDIN separately and mention their UDINs individually on the reports signed by them.
- Auditors may use the same or different keywords/figures while generating such UDINs.



Department: Human Resource
Head: Bella Austin

| |
|-----------|
| Excellent |
| Excellent |
| Excellent |
| Good |
| Excellent |
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| |
| |

A graphic on the left side of the slide shows a grid of colorful file folders (red, yellow, blue, green, black) arranged in three rows and four columns. A white hand with a black outline is pointing towards the folders from the right side.

What is the consequence of not generating UDIN which are made mandatory by ICAI in respective phases?

- UDIN generation is being made mandatory as per the Council Decision hence not generating UDIN for mandatory documents will amount to non-adherence of the Council Decision and may attract disciplinary proceedings as per the Second Schedule Part II of The Chartered Accountants Act, 1949.



Any Questions?



thank
YOU:-)

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