



# Marketing and Advertisement Under Code Of Ethics

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# New Code of Ethics

**Effective  
from 1<sup>st</sup> July  
2020**

Volume I  
Based on  
IESBA Code  
of Ethics  
2019

Volume II  
CA Act,  
Regulations  
and Council  
Decisions

Volume III  
Case Laws  
under  
Disciplinary  
Mechanism

# Advertising as per Code of Ethics

- ▶ The communication to the public of information as to the services or skills provided by professional accountants in public practice with a view to procuring professional business.

# First Schedule Part I Clause 6

- ▶ Chartered Accountant in practice shall be deemed to be guilty of professional misconduct, if he:-

“Solicits clients or professional work either directly or indirectly by circular, advertisement, personal communication or interview or by any other means”

Provided that nothing herein contained shall be construed as preventing or prohibiting —

- (i) any chartered accountant from applying or requesting for or inviting or securing professional work from another chartered accountant in practice;
- (ii) a member from responding to tenders or enquiries issued by various users of professional services or organisations from time to time and securing professional work as a consequence;

# Activities Covered under Clause 6



## 1. **Advertisement and Notes in the Press :-**

- ▶ Request from another Chartered Accountant for Professional Work
- ▶ Advertise changes in partnerships or dissolution of a firm, or of any change in the address of practice and telephone numbers subject to area of distribution and number of insertions.
- ▶ Permitted to issue a classified advertisement in the Journal/Newsletter of the Institute for sharing/ seeking professional work, provided it contains only basic details.

# Activities Covered under Clause 6



## 2. **Application for empanelment for allotment of audit and other professional work:-**

- ▶ Where the existence of such a panel is within the knowledge of a member, he is free to write to the concerned organization with a request to place his name on the panel.
- ▶ Not to make roving enquiries
- ▶ Quote fees on enquiries being received or respond to tenders from the organizations requiring professional services.

# Activities Covered under Clause 6

## 3. **Responding to Tenders, Advertisements and Circulars:-**

- ▶ Not respond to any tender issued by an organization or user of professional services in areas of services which are exclusively reserved for Chartered Accountants, such as audit and attestation services.
  
- ▶ Restriction shall not apply where
  - ❖ minimum fee of the assignment is prescribed
  - ❖ or where the areas are open to other professionals along with the Chartered Accountants

# Activities Covered under Clause 6

4. **Publication of Books, Articles or Presentation:-** May indicate in a book, article or presentation the designation “Chartered Accountant” as well as the name of the firm.
5. **Issue of Greeting Cards or Invitations:-** Designation “Chartered Accountant” as well as the name of the firm may be used provided that such greeting cards or invitations etc. are sent only to clients, relatives and friends of the members concerned.
6. Advertisement for Silver, Golden, Platinum or Centenary celebrations may be published in newsletter and newspaper.



# Activities Covered under Clause 6

7. **Sharing Firm Profile with prospective Client:-** Prohibited, unless it is in response to a proposed client's specific query and otherwise not prohibited to be used by the client.
8. Television or Movie Credits not be different from the other entries in the credit.
9. Soliciting professional work by making roving enquiries:- not permissible for a member to address letters, emails or circulars specifically to persons who are likely to require services of a Chartered Accountant.
10. Not to Accept original professional work by a member emanating from the client introduced to him by another member

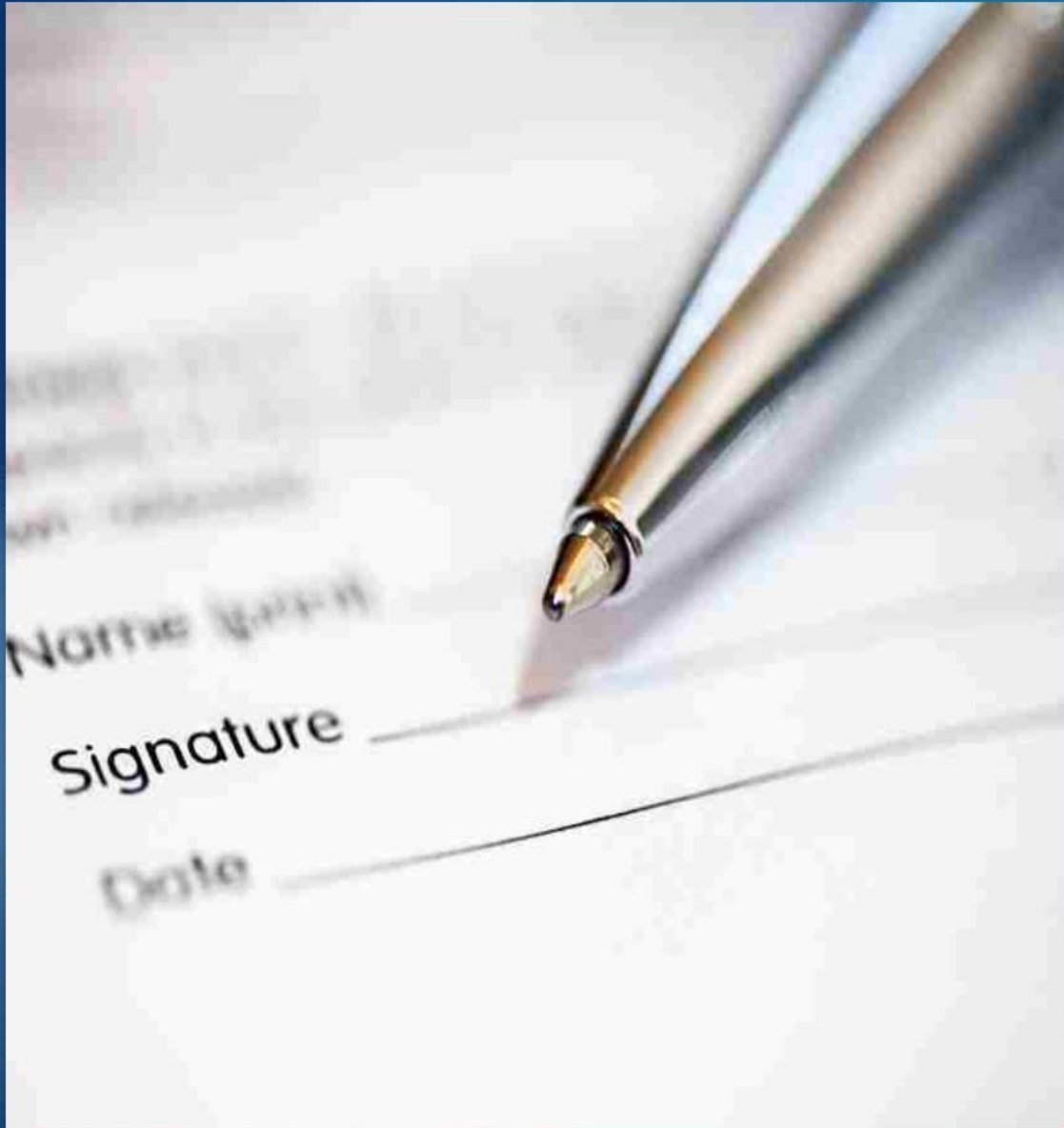
# Activities Covered under Clause 6

13. **Giving Public Interviews:-** . Due care should be taken to ensure that such interviews or details about the members or their firms are not given in a manner highlighting their professional attainments.
14. Strict prohibition to publish advertisements under Box numbers
15. **Educational Videos:-** No reference should be made to the Chartered Accountants Firm wherein the member is a partner/ proprietor. Further, it should not contain any contact details or website address.

# Activities Covered under Clause 6

## 16. **Advertisement of Teaching/Coaching activities by members**

- ▶ general permission (for private tutorship, and part-time tutorship under Coaching organization of the Institute) and
- ▶ specific permission (for part-time or full time tutorship under any educational institution **other than** Coaching organization of the Institute).
- ▶ Direct teaching hours devoted to such activities taken together should not exceed 25 hours a week
- ▶ members may put, outside their Coaching /teaching premises, sign board mentioning the name of Coaching/teaching Institute, contact details and subjects taught therein only.



# Council Guidelines for Advertisement

# Areas covered under Council Guidelines

1. **Write Ups:-** Writing of particulars according to the information given in the Guidelines setting out services issued, circulated or published by way of print or electronic mode or otherwise including in newspapers, journals, magazines and websites, which include social Networking Websites (in Push as well as in Pull mode) in accordance with the Guidelines.
  - ▶ Should not be exaggerated
  - ▶ Not to be font size exceeding 14
  - ▶ Monogram or catch words not permitted
  - ▶ Not contain any information about achievements /awards (except the awards given by the Central or State Governments or Regulatory bodies
  - ▶ Not make any disparaging references or unsubstantiated comparisons to the work of others.

# Areas covered under Council Guidelines

## 2. **Website of CA Firms:-**

- ▶ Websites to run on a “pull” model and not a “push” model of the technology
- ▶ Names of clients and fee charged cannot be given except when required by regulator
- ▶ Display of passport size photograph permitted
- ▶ Members may include articles, professional information, bulletin boards, professional updation
- ▶ Chat rooms can be provided which permit chatting amongst members of the ICAI and between Firms and its clients.
- ▶ Firm can provide link of its page on Social Networking site which should not solicit people to visit site.
- ▶ Website may provide a link to the Website of ICAI, its Regional Councils and Branches and also the Website of Government or Departments/Regulatory authorities/other Professional Bodies.

# Areas covered under Council Guidelines

3. **Online Third Party Platforms:-** Some of such Websites request Chartered Accountants or firms to provide consultation and advice through their Websites.
  - ▶ No other service, besides consultancy and advice can be rendered through such websites.
  - ▶ The name of ‘Chartered Accountants’ firm with suffix “Chartered Accountants” would not be permitted.
  - ▶ Website, contact address of the Chartered Accountant concerned should not be provided nor such Website will contain any material which advertises professional achievements or status of such Chartered Accountant except making a statement that they are Chartered Accountants.

# Areas covered under Council Guidelines

## 4. **Publication of Name or Firm Name by Chartered Accountants in the Telephone or other Directories published by Telephone Authorities or Private Bodies:-**

- ▶ Entry should not appear in any other section/category except that of Chartered Accountants
- ▶ The member/ firm should belong to city in respect of which directory is published.
- ▶ Order to be alphabetical
- ▶ Not be made in a differential or prominent manner giving the impression of publicity/advertisement.



# Areas covered under Council Guidelines

- 5. Application based Service provider Aggregators:-** It is not permissible for members to list themselves with online Application based service provider Aggregators, wherein other categories like businessmen, technicians, maintenance workers, event organizers etc. are also listed.



# Important FAQ



## Whether CAs can print photographs on the visiting cards

### ► **Council Decision:-**

Mostly the business class prints the photographs on their visiting cards for promoting their business and soliciting clients.

Therefore, it is not permissible for the Chartered Accountants to print their photographs on visiting card.

# Whether a client may use the name of CA firm mentioning it as a knowledge partner / in the thanking you message

## ► **Council Decision:-**

Public display of name of Chartered Accountant / Firm, which does not seem to be covered in any of the permitted categories.

As per the extant provisions, use of firm logo is not permitted. As regards use of firm name by client mentioning a firm as a knowledge partner or in the Thank You advertisement, it was clarified that in terms of provisions of Items (6) & (7) of Part-I of First Schedule to The Chartered Accountants Act, 1949, it is not permissible.

# Can a CA Firm print its vision and values behind its visiting cards

## ► **Council Decision:-**

Printing of vision and values behind the visiting cards may result in solicitation and therefore would be violative of the provisions of Clause (6) of Part-I of First Schedule to the Chartered Accountants Act, 1949, and accordingly not permissible.

Whether Whats App can be used to send messages and mention services to make people aware that a member has started new practice.

► **Council Decision:-**

It is not permissible to use WhatsApp to send messages to make people aware about his new practice, and mention the services provided therein.



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

**► Council Decision:-**

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.

Thank You