

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 4037
ANSWERED ON TUESDAY, THE 3rd APRIL, 2018**

**VIOLATION OF CODE OF ETHICS BY MNAFs
QUESTION**

4037. SHRI NARAIN DASS GUPTA:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether any steps have been taken by Institute of Chartered Accountants of India (ICAI) to punish violation of code of ethics of sharing of fees with non-members and soliciting of professional work in international brand name by Multi National Accounting Firms (MNAFs) in view of Supreme Court's judgement at Writ Petition No. 991 of 2013, if so, the details thereof; and
- (b) whether any action is taken by ICAI against 171 Multi-National Accounting Firms for violation of code of ethics as per above Supreme Court's judgement; if so, the details thereof?

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

(SHRI ARUN JAITLEY)

- (a) & (b): The Institute of Chartered Accountants of India (ICAI) has informed that its Disciplinary Directorate has initiated investigation in respect of allegations of violation of Code of Ethics by Indian CA firms on aspects of sharing of fees, usage of brand name of their International Association with Multinational Accounting Firms (MAFs) etc. in terms of Rule 7 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.
