

GUIDELINES ON MARKETING PROFESSIONAL SERVICES BY PROFESSIONAL ACCOUNTANTS IN PUBLIC PRACTICE

1. Objectives

Marketing professional service provided by a public accountants in public practice is basically intended to communicate with the clients who are in search of finding professional accountants in public practice having adequate qualification, experience, competence and good repute in providing professional services.

Such marketing, publicity or advertisement may create threat to compliance with the fundamental principles of the Code of Ethics. For example: a self- interest threat to compliance with the principle of professional behavior is created, if services, achievements or products are marketed in a way that is inconsistent with that principle.

Therefore, such communication must not be in form to influence, persuade, or coerce the clients through any means of advertisement, publicity, communication, lobbying etc.

The professional accountant in practice shall not bring the profession into disrepute when marketing professional services.

The professional accountants in public practice shall be honest and truthful and not

- a) Make exaggerated claims for services offered, qualification possessed or experience gained, or
- b) Make disparaging references or unsubstantiated comparisons to the work of another.

2. Marketing, advertising or publicity

Marketing is a process to communicate with the potential clients who are in need to have the professional services of the professional accountants in public practice.

This process of marketing could be made to reach to the potential clients through **advertising** in different manners and mode through newspapers, magazines, periodicals, sign boards, television or radio, social media web site etc.

Whereas **publicity** which is similar to advertisement but could be meant to reach out to the potential or even not potential clients to make them known that a particular professional accountant seeks clients to provide them her or his professional services.

However, the provisions of Code of Ethics pronounced by both International Federation of Accountants (IFAC) and the Institute of Chartered Accountants of Nepal (ICAN) in no uncertain terms intends to restrain and refrain professional accountants from reaching out to

potential clients by any means or manner of influencing, persuading or even coercing through exaggerated unsubstantiated claims of qualification, experience and achievements.

3. General Guidelines

3.1 A Professional Accountant in Public Practice shall not seek to obtain clients by any means or manner of communication, or publicity or advertising (written, oral, or electronic), or other forms of solicitation: (i) in a manner that is false, fraudulent, misleading, deceptive, unfair, tends to promote unsupported claims, or (ii) which is accomplished or accompanied by the use of coercion, duress, compulsion, intimidation or vexatious or harassing conduct.

3.2 A false, fraudulent, misleading, deceptive, unfair, unsupported statement or claim includes (but is not limited to) those that:

- create false or unjustified expectations of favorable results;
- contain a misrepresentation of fact;
- imply the ability to influence any court, tribunal, regulatory agency or similar body or official;
- consist of statements that are self-laudatory and that are not based on verifiable facts;
- make misleading comparisons with other firms;
- contain misleading testimonials or endorsements;
- is likely to mislead or deceive because in context it makes only partial disclosure of relevant facts;
- relate to fees or a range of fees not fully disclosing all variables and other relevant facts; or
- contain any other representations that would be likely to cause a reasonable and ordinary prudent person to misunderstand or be deceived.

3.3 A Professional Accountant in Public Practice shall not on behalf of himself/herself, his/her partner or associate, or any other individual affiliated with him/her or his/her firm, use or participate in the use of any form of public communication containing a false, fraudulent, misleading, deceptive or unfair statement or claim, or advertising which the ICAN/Council considers to be self-serving rather than in the public interest. Publicity not in the public interest shall include, but not be limited to, advertising or marketing that:

- is false, fraudulent, deceptive, or misleading;
- Guarantees any service that is inconsistent with decisions of regulatory authorities;
- makes any claim relating to professional services or products or the cost or price thereof which cannot be substantiated by the firm, who shall have the burden of proof;
- makes claims of professional superiority which cannot be substantiated by the firm, who shall have the burden of proof; or
- offer inducements in any form for a professional service or product.

3.4 Design, size and manner of creating website by the firm of professional accountants in public practice are stated in paragraph "B" hereunder

4. Specific Guidelines

4.1 Website

- 4.1.1 Design, size, color, size of font of letters etc. and manner of having websites or presentation of information therein as prescribed by ICAN.
- 4.1.2 Individual Members would also be permitted to have their Webpages in their trade name or individual name in the manner prescribed and approved prior to uploading;
- 4.1.3 The firm of a Professional Accountant in Public Practice would ensure that their Websites are run on a "pull" model and not a "push" model of the technology to ensure that any person who wishes to locate the firms would only have access to the information and the information should be provided only on the basis of specific "pull" request and must not include any sorts of advertisement of another products or services of another person/firm or entity;
- 4.1.4 The firm of a Professional Accountant in Public Practice should ensure that none of the information contained in the Website be circulated on their own or through email or by any other mode or technique except on a specific "pull" request;
- 4.1.5 The firm of a Professional Accountant in Public Practice would also not issue any circular or any other advertisement or any other material of any kind whatsoever by virtue of which they solicit people to visit their Website. The firm would, however, be permitted to mention their Website address on their professional stationery.
- 4.1.6 The following information may be allowed to be displayed on the Firms'/Members' Websites, subject to the paragraph 4.1.1 above:
 - i. Member/Trade/Firm name.
 - ii. Year of establishment.
 - iii. Member/Firm's Address (both Head Office and Branches),
Tel. No(s)
Fax No(s)
E-mail ID(s)
 - iv. Nature of services rendered (to be displayable only on specific "pull" request)
 - v. Partners

Partners Name	Year of Qualification	Other Qualifications	Tel. No. Off.-Direct Res. Mobile E-mail address	Area of Experience (to be displayable only on specific "pull" request)

vi. Details of Employees -

Professional	Others	Name	Designation	Area of experience (to be displayable only on specific "pull" request)

- vii. Job vacancies for the Chartered Accountant/Registered Auditors/Other professionals (including articleship)
- viii. No. of articled clerks. (to be displayable only on specific "pull" request)
- ix. Nature of assignments handled (to be displayable only on specific "pull" request). **Names of clients and fee charged cannot be given.**

4.1.7 Display of any kind of photographs is not permitted .

4.1.8 The members may include articles, professional information, professional updation and other matters of larger importance or of professional interest.

4.1.9 The bulletin boards can be provided.

4.1.10 The details in the Website should be so designed that it does not amount to soliciting client or professional work or advertisement of professional attainments or services. In case any content or technical feature of Website is against the professional Code of Conduct and Ethics as well as the Chartered Accountants Act and its Regulations or against the guidelines or directions issued by ICAN from time to time, appropriate action will be initiated by the ICAN in terms of its disciplinary mechanism.

4.1.11 The Website should ensure adequate secrecy of the matters of the clients handled through Website.

4.1.12 No Advertisement in the nature of banner or any other nature will be permitted on the Website.

- 4.1.13 The Website should be benefitting the accounting profession and should not contain any information or material which will bring disrepute to the profession.
- 4.1.14 The Website may provide a link to the Website of ICAN, and also to the Websites of Govt./Govt. Departments/Regulatory authorities/ related professional bodies and Associations..
- 4.1.15 The address of the Website can be in the name of the firm. But it should not amount to soliciting clients or professional work or advertisement of professional attainments or services. The Ethics Committee will decide in case there is any difficulty.
- 4.1.16 Any changes of the Website should be intimated to the ICAN before 7 days of uploading.
- 4.1.17 In response to any specific queries relating matters of tax, commerce or economics, that will be displayed in any column of newspaper or websites of any organization, professional accountants in public practice can respond only in his/her personal name but not in the name of firm.

4.2 Publicity

- 4.2.1 Articles and communications in the press by a member to educate the public on taxation, audit and general financial matters is acceptable.
- 4.2.2 Sponsoring Institute activities and displaying simple banner during such event is permissible.
- 4.2.3 Sponsoring charitable events/ organizations that engage in social welfare e.g. health organizations, sports clubs and displaying simple banner during such event is permissible.
- 4.2.4 Giving firm's promotional materials (diary, calendar etc.) in the firms' office. The material can have the firm's name is permissible.
- 4.2.5 Paid announcements when opening a new office, changes in the membership of a firm and changes in the name or address is permissible.
- 4.2.6 Putting a signpost giving directions to the firm's offices at the nearest junction to the firm's offices is permissible.
- 4.2.7 Materials on social media can be used in personal name but not in the name of firm or CA/RA.

4.3 Professional Documents, visiting cards, letter heads, sign boards etc.

4.3.1 Business envelopes and letter head

The name, description and address of a member or his firm may appear on business envelopes and letter head, provided that the inscription conforms both in size and otherwise to the normal standards of professional good taste.

4.3.2 Sign Board

A Professional Accountant in Public Practice can put up sign board for his/her office. The sign board can be of any size as per their own discretion and good taste. Use of glow signs or lights on large-sized boards as is used by traders or shop-keepers are not allowed. The sign board should contain name of the office and address but it is not permitted to mention types of service provided by the firm and any other information that is in the nature of advertisement of professional services.

4.3.3 Name Plate/Board

A Professional Accountant in Public Practice can have a name board at the place of his/her residence with the designation of a Chartered Accountant/ Registered Auditor, provided it is a name plate or name board of an individual member and not of the firm.

4.3.4 Use of logo

The use of logo/monogram of any kind/form/style/design/ color etc. whatsoever on any display material or media e.g. paper stationery, documents, visiting cards, magnetic devices, internet, signboard by the Professional Accountant in Public Practice, firm of the Professional Accountant in Public Practice is not permitted. Use/printing of member/firm name in any other manner tantamounting to logo/monogram is also not permitted. However, the use of a common CA/ RA logo, if prescribed by ICAN, shall be allowed to the members, provided it is used in the correct manner

4.3.5 Use of Slogan

The use of any slogan on any display material or media e.g. paper stationery, documents, visiting cards, magnetic devices, internet, signboard by the Professional Accountant in Public Practice, firm of the Professional Accountant in Public Practice is not permitted.

4.3.6 Greeting cards or invitations

It is not proper to issue greeting cards or personal invitations by practicing members indicating their professional designation, status and qualifications etc. However, the designation "Chartered Accountant" and other (In case of Registered Auditor member) may be used in greeting cards, invitations for marriages and religious ceremonies and any invitations for opening or inauguration of office of the members, change in office premises and change in telephone numbers, provided that such greeting cards or invitations etc. are sent only to clients, relatives and friends of the members concerned.

4.3.7 Professional attainment, services and designation

The advertisement of professional attainments or services, or use of any designation or expressions other than Chartered Accountant/ Registered Auditor on professional documents, visiting cards, letter heads etc. is not permitted. However, a degree of University established by law in Nepal or recognized by the Nepal Government or a title indicating membership of the Institute of Chartered Accountants of Nepal or of any other institution that has been recognised by ICAN is permitted to use below the name of the professional accountants in practice.

4.3.8 Establishment of the firm

The date of setting up the practice by a member or the date of establishment of the firm on the letterheads and other professional documents etc. should not be mentioned. However, in the Website, the year of establishment can be given on the specific "pull" request.

4.4 Advertising

4.4.1 Articles and letters in the press

Member submitting articles, letters or other contributions of public interest to the press, shall not use their professional designation and/or designator letters. They should issue appropriate disclaimers regarding the views expressed in situations where such views can be contested.

4.4.2 Radio and television programmes

Members participating in radio or television programmes may do so under their own name.

4.4.3 Authorship of books

Member writing a book, monograph, pamphlet, etc., other personal particulars, as are usual, viz, education, hobbies and interests, other qualifications and previous publications. But it is not permitted to indicate in a book or monograph, pamphlet, etc. published by him/her, the association with any firm of practicing member.

4.4.4 Appointments to trade and similar associations

A member appointed to an office with a trade or similar organization must ensure that he does not take advantage of his position to acquire professional work. In particular, where the trade association offers for the benefit of members an advisory service on accountancy, taxation, etc., which is serviced by a member of the Institute, the latter should ensure that:

- a) there is no reference to the member by name in literature issued by the organization;
- b) there is no direct contact between the member of the Institute and the individual member of the trade or other organization requiring advice;
- c). where, on very rare occasion, such direct contact is essential, the professional adviser retained by the member of the organization is informed;
- d) advice is given to the trade or other organization and not to any individual member thereof.
- e) members are not allowed to print their professional visiting cards, including the details of such appointment. For example, if a member is president of the institute, S/he cannot mention that fact in visiting card of his firm.

4.4.5 Changes in partnership or address, commencement in practice etc.

Changes such as the retirement or admission of a partner, change of address, merger with another firm and the like should normally be notified to clients and business associates by letter. Such information may also be published in the press as paid announcement provided that the member's name or firm name is not given undue prominence and that the content of the announcement is appropriate in size and presentation. Announcements of commencement in practice are permitted on the same conditions.

4.4.6 Advertising for partnership

A member is free to advertise for partnership either in the professional or non-professional press.

4.4.7 Advertising for staff/Clients staff

Particular care is necessary in preparing advertisements for staff which are to appear in the non-professional press, otherwise such notices can often be criticized as constituting a laudatory advertisement of the member or his firm and/or of the professional services he provides.

The following guidelines should therefore be observed:

- The name of the member or firm should not appear with undue prominence or frequency.
- The duties to be performed may be described in reasonable detail but should not be capable of being regarded as constituting an unfair advertisement of the services by the member or his firm.

4.4.8 Member as an election candidate

A member who is a candidate at a national or local election may quote his Personal name. A member who is in practice may give whatever details he likes regarding his employment as long as it is in conformity with this guideline.

4.4.9 Entries in directories

The name and addresses of practicing members and/or of their firms may appear in directories, whether local or national, general or specialized. Such entries must not either by reference to size or presentation be capable of being construed as a direct advertisement and should not normally contain more than the member's name, address and professional description, together with telephone, telex or similar information.

4.4.10 Social Media:

A professional accountants are not permitted to use the word CA/RA in the social media. Using social media as a means of advertising through achievement, sharing information is prohibited. The firm cannot have its page in the social media.

4.5 Solicitation

A member should not in any circumstances obtain or seek professional work for himself or another member in any unprofessional manner. Former employees of practicing accountants leaving to become independent practitioners should avoid the initiation of communication with clients of former employers telling them of their new activities. In particular members should observe the following:

- (a) A member, who is an employee, other than an employee of a Professional Accountant in Practice, should not, on behalf of his employer, carry on in his own name, any business which is normally carried on by a Public Accountant in Practice.
- (b) A member, who is employed by another member or by a firm of members engaged in public practice, should not undertake professional work on his own account or in partnership with another member(s) without consent of his employer.
- (c) There may be cases in which members in practice are retained by organizations, which in their turn, offer advice to their members on accountancy matters. The member retained by the organization may, in relation to matters referred to him by the organization, deal only with the organization itself and not directly with any of its members. The member should ensure that in any relevant literature issued by the organization neither his name nor the name of his firm is given undue publicity.

5. Prohibited activities by professional accountants in public practice

- 5.1 Professional accountants in public practice are prohibited from making exaggerated claims on services that one is able to offer, qualifications possessed or experience gained. This can be in quotations, firm's profiles or other communication to current and prospective clients who have requested for such information; or
- 5.2 Making disparaging reference or unsubstantiated comparisons to the work of others; or
- 5.3 Allowing clients to make use of the name and description of their auditor in business document or literature other than financial statements.

6. In case of doubt or misapprehension

In case, the professional accountant in public practice is in doubt about whether a proposed form of advertisement or marketing is appropriate, the professional accountant in public practice shall consider consulting the institute of Chartered Accountants of Nepal prior to making any such advertisement or marketing.

Advertisement, publicity or marketing in any manner whatsoever if found inconsistent with the provisions of Code of Ethics pronounced by both IFAC and ICAN shall be deemed to be illegal and liable for disciplinary action by the ICAN.

7. COE shall supersede

In case any provisions of the above guidelines are found inconsistent or in conflict with provisions of Code of Ethics such inconsistent or conflicting provisions shall be illegal and the provisions of Code of Ethics pronounced by both IFAC and ICAN shall supersede such conflicting or inconsistent provisions of the guidelines.

For better understanding and comprehension, refer the Code of Ethics and its paragraphs 250.1 to 250.2 and also the other provisions related thereto.