



Networking and Partnerships for Chartered Accountants



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Networking for CAs – Why??

- ‘One stop shop’ for expertise, experience and efficiency
- Better reach for professionals
- Better services to the client

The Networking Advantage

- Professionally updated
- Immediate reference
- Multifaceted Knowledge experience
- Thorough business development process
- Confidence to handle newer assignments
- Stepping stone to professional partnerships/associations/llp

Tips for Networking

- Undivided attention to the professional talk
- Talk short and be crisp
- Learn the art of being friendly
- Keep the goal clear
- Introduce people in a professional network
- Networking is not about selling business
- Touch base with contacts

Expanding Horizon of a CA (Professional)

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Teaming of Professionals or The Professional Partnerships

The CA Act, 1949

- According to Clause (4) of Part I of The First Schedule to the CA Act, 1949

The CA Act, 1949

- “ A Chartered Accountant in practice shall be deemed to be guilty of professional misconduct, if he enters into partnership, in or outside India, with any person other than a chartered accountant in practice or such other person who is a member of any other professional body having such qualifications as may be prescribed, including a resident, who but for his residence abroad would be entitled to be registered as a member under clause (v) of sub section (1) of section 4 or whose qualifications are recognized by the Central Government or the council for the purpose of permitting such partnerships”

Professional Partnerships

- Chartered Accountants generally team up with
 - Lawyers
 - Company Secretaries
 - Actuaries
 - Valuers
 - Software Professionals
 - Venture Capitalists
 - Retired Entrepreneurs

Take Care while Partnering

- Know the person well
- Understand his/her capacities
- Choose a person with reasonable attitude
- Confidentiality clause is a must
- Reference/Verification of back ground
- Clear understanding of the terms of partnership
- Clarity on the terms of profit sharing



- ICAI Council Guidelines for Conversion of CA Firms into LLP
- (Guidelines No.1-CA (7)/03/2011, dated 4th November, 2011) – ICAI

What are the guidelines for CA LLPs known as?

- Council Guidelines for Conversion of CA Firms into LLPs -Guidelines No.1-CA (7)/03/2011, dated 4th November, 2011)

Can a CA in practice constitute a separate LLP?

- Yes, all members of ICAI in practice who want to constitute separate LLPs are required to follow the provisions of the Limited Liability Partnership Act, 2008 read with the Rules framed there under.

What about existing CA firms with regard to constitution of LLP?

- All existing CA firms who want to convert themselves into LLPs are required to follow the provisions of Chapter-X of the Limited Liability Partnership Act, 2008 read with Second Schedule to the said Act containing provisions of conversion from existing firms into LLP.

What if the name of LLP of CA firm resemble with any other non CA entity?

- If the proposed name of LLP of CA firm resemble with any other non-CA entity as per the naming Guidelines under LLP Act and its Rules, the proposed name of LLP of CA firms may include the word `Chartered Accountant' or

What if the name of LLP of CA firm resemble with any other non CA entity?

‘Chartered Accountants’, as the case may be in the name of the LLP itself and the Registrar, LLP may allow the same name, subject to compliance to Rule 18(2) (xvi) of LLP Rules

Can a LLP of a CA firm carry the name Chartered Accountants as a part of its name?

- In terms of Rule 18(2) (xvi) of LLP Rules- 2009, if the proposed name of LLP includes the words 'Chartered Accountant' or chartered Accountants, as the case may be, as part of the proposed name,

Can a LLP of a CA firm carry the name Chartered Accountants as a part of its name?

the same shall be referred to the Institute of Chartered Accountants of India (ICAI) by the Registrar of LLP and it shall be allowed by the Registrar only if the Secretary, ICAI approves it.

Any name reservations exist for LLP's of CA Firms?

- Yes, the names of the CA firms registered with the ICAI shall remain reserved for the partners as one of the options for LLP names subject to the provisions of LLP Act, 2008.

What are regulations applicable to LLP's of CA Firms?

- The provisions of CA Act, 1949, Chartered Accountants Regulations, 1988 and Code of Ethics issued by ICAI shall be applicable to all partners of the converted CA firms into LLP jointly and severally.

Forms in which application for registration of LLP with ICAI filed by CA Firms

- The partners of the firm shall apply in ICAI Form No. '117' and the ICAI Form No. '18' along with copy of name registration received from the Registrar of LLP and submit the same with the concerned Regional office of the ICAI

Approved suffixes to LLP of a CA firm by ICAI?

- The name of the LLP may be like 'X & Co. LLP' or 'X & Associates LLP' and no other suffix shall be approved and registered by ICAI.

Restriction in the nature of service by newly registered CA LLPs?

- The newly converted CA LLPs registered with ICAI shall be allowed to work only in terms of Section 2(2) of the Chartered Accountants Act, 1949 and the object of LLP to be incorporated in Form-2 and Form 17 of the LLP rules, 2009 or

Restriction in the nature of service by newly registered CA LLPs?

in LLP agreement, shall be in the nature of Professional Services allowed under Section 2(2) of the Chartered Accountants Act, 1949.

LLP registration numbers with ICAI

- The registration number (with minimum 6 numbers) of LLP with ICAI, shall remain the same Firm Registration Number (FRN) allotted to the firm before the conversion by ICAI

LLP registration numbers with ICAI

with the Regional Code like `W`
for Western, `E` for Eastern, `S`
for Southern, `N` for Northern and
`C` for Central Region

What if there is any dispute on these guidelines?

- In case of any dispute in respect of these guidelines, the same shall be referred to the committee of the Institute and the decision of that committee shall be final and binding on the members of the Institute.

When does this guideline come into force?

- These Guidelines shall come into force w.e.f. 4th November, 2011.

About the Author

- *CA. Rajkumar S Adukia is an eminent business consultant, academician, writer, and speaker. He is the senior partner of Adukia & Associates.*
- *In addition to being a Chartered Accountant, Company Secretary, Cost Accountant, MBA, Dip IFR (UK), Mr. Adukia also holds a Degree in Law and Diploma in Labor Laws and IPR.*
- *Mr. Adukia, a rank holder from Bombay University completed the Chartered Accountancy examination with 1st Rank in Inter CA & 6th Rank in Final CA, and 3rd Rank in Final Cost Accountancy Course in 1983.*
- *He started his practice as a Chartered Accountant on 1st July 1983, in the three decades following which he left no stone unturned, be it academic expertise or professional development.*

About the Author

- *He has been coordinating with various Professional Institutions, Associations, Universities, University Grants Commission and other Educational Institutions.*
- *Authored more than 50 books on a vast range of topics including Internal Audit, Bank Audit, SEZ, CARO, PMLA, Anti-dumping, Income Tax Search, Survey and Seizure, IFRS, LLP, Labour Laws, Real estate, ERM, Inbound and Outbound Investments, Green Audit etc.*
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THANK YOU

