

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 3544
ANSWERED ON TUESDAY, THE 27TH MARCH, 2018**

POWERS OF NFRA AND ICAI

QUESTION

3544. SHRI NARAIN DASS GUPTA:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether National Financial Reporting Authority (NFRA) has power to cancel the Certificate of Practice of a Chartered Accountant and not to remove name from Register of Members maintained by The Institute of Chartered Accountants of India (ICAI);
- (b) whether ICAI has powers to cancel the Certificate of Practice as per orders of NFRA under the Chartered Accountants Act, 1949; and
- (c) with the constitution of NFRA whether existing disciplinary cases against Chartered Accountants will continue to be dealt with by ICAI?

ANSWER

THE MINISTER OF STATE FOR LAW AND JUSTICE
AND CORPORATE AFFAIRS

(SHRI P. P. CHAUDHARY)

(a) to (c):- In accordance with provisions of section 132 of the Companies Act, 2013 and rules to be made thereunder read with relevant applicable provisions of Chartered Accountants Act, 1949 and regulations made thereunder, National Financial Reporting Authority (NFRA) would perform the functions relating to making recommendation on framing accounting and auditing policies/standards, monitoring and enforcing compliance with such standards, overseeing quality of service of auditing profession and investigating and ordering action against professional and other misconduct as provided under the Act. Further, as per clause (c) of sub section 4 of section 132, the NFRA shall have the power of debarring, the member or the firm from engaging himself or itself from practice as member of the Institute of Chartered Accountant of India referred to in clause (e) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 for a minimum period of six months or for such higher period not exceeding ten years as may be decided by NFRA, where professional or other misconduct is proved. The provisions of section 132 of the Act have provided for suitable clarity and flexibility to ensure that harmony and coordination is maintained in the role and powers of NFRA and Institute of Chartered Accountants of India.
