

# Public Accountants Board (Amendment) Rules 1996

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### No. S 280

## ACCOUNTANTS ACT (CHAPTER 2A)

### PUBLIC ACCOUNTANTS BOARD (AMENDMENT) RULES 1996

In exercise of the powers conferred by section 57 of the Accountants Act, the Public Accountants Board, with the approval of the Minister for Finance, hereby makes the following Rules:

1. These Rules may be cited as the Public Accountants Board (Amendment) Rules 1996 and shall come into operation on 28th June 1996.

2. Paragraph 5 of the Third Schedule to the Public Accountants Board Rules is deleted and the following paragraph substituted therefor:

#### **“ADVERTISING, PUBLICITY AND SOLICITATION**

5.—(1) In this paragraph —

“advertising” means the communication to the public of information as to the services or skills provided by a public accountant or firm of public accountants with a view to procuring professional business;

“publicity” means the communication to the public of facts about a public accountant or firm of public accountants which is not designed to promote the professional business of the public accountant or the firm of

public accountants;

“solicitation” means the approaching of a potential client for the purpose of offering professional accountancy services.

(2) All publicity shall conform to the following principles (referred to in this paragraph as the Basic Principles):

- (a) publicity must be conducted in a manner consistent with the good standing and reputation of the accountancy profession and must not contain anything as is likely to bring discredit to the public accountant or to the profession of accountancy;
- (b) publicity must contain only matters of fact which are true, and the manner of notification must not be misleading or deceptive;
- (c) publicity must be in good taste and professionally dignified;
- (d) publicity must avoid belittling, or claiming superiority over, others;
- (e) publicity must in any announcement —
  - (i) avoid presenting the name of the public accountant or that of his firm in a manner that is out of proportion with the nature or size of the announcement; and
  - (ii) avoid undue repetition of the public accountant’s name or that of his firm; and
- (f) publicity must avoid any inference of direct or indirect solicitation.

(3) No public accountant or his firm may seek professional work by means of advertising.

(4) Subject to the Basic Principles, a public accountant may publish his name, the designation “Certified Public Accountant” or the initials “CPA” and his address, and the name and address of his firm, in a newspaper, journal or the Gazette for the following purposes:

- (a) an advertisement giving notice that there is a vacancy in the public accountant’s practice or that of his firm;
- (b) an advertisement on behalf of a client who requires staff or who wishes to acquire or dispose of business or property;
- (c) an advertisement for the sale of a business, or property, by a public accountant acting in a professional capacity as trustee, liquidator,

receiver or in any other professional capacity;

- (d) a publication of a report, notice, statement or certificate required under the provisions of any written law (including notices of meetings, auditor's reports on financial statements and notices of appointment of liquidator, under the Companies Act) but the publication must be confined to what is required for the purposes of the written law; and
- (e) an announcement of a change of address and telecommunication numbers.

*[Cap.50.]*

(5) Subject to the Basic Principles, a public accountant and his firm holding a seminar or conference for the public may advertise the seminar or conference if each member of the public attending the seminar or conference is required to pay a reasonable fee for the attendance.

(6) An announcement of —

- (a) an admission to, or a retirement from, the practice of a partner;
- (b) a change of name of the practice;
- (c) a merger of one or more firms of public accountants; and
- (d) the commencement or resumption of public practice,
- (e) may be made in newspapers and in other publications if the announcement adheres to the Basic Principles and contains a bare statement of the facts.

(7) The announcements referred to in sub-paragraph (6) may also be made by means of a letter or circular, but only to —

- (a) clients of the public accountant and his firm; and
- (b) persons with whom the public accountant and his firm has business contacts,

but the letter or circular must adhere to the Basic Principles and contain only a bare statement of the facts.

(8) A public accountant must not send greetings or condolences in any form or for any occasion by publication in a newspaper, periodical or other publication.

(9) A public accountant may send greeting cards on the occasion of any special

observance if the cards contain only one or more of the following:

- (a) the message of his greetings;
- (b) his name or his name in conjunction with those of his partners; or
- (c) the name and address of the firm in which he practises and the firm's logo.

(10) In relation to audit, accountancy and taxation work, a public accountant —

- (a) may issue cards, promotional or technical material to a client with whom a professional connection has already been established;
- (b) must not send an unsolicited letter or a circular, or make an unsolicited personal visit or a telephone call, to a person who is not a client with a view to obtaining professional work from that person;
- (c) must not give any commission, fee or reward to any person, other than an employee of the public accountant's firm, another member or an overseas firm or company that is affiliated to the public accountant or his firm, in return for the introduction of a client;
- (d) must not send promotional or technical material to a non-client, including a former employee, unless specifically requested for by that person; and
- (e) must not instigate any person to do the acts referred to in sub-paragraph (a), (b), (c) or (d) on his behalf.

(11) Any form of event organised for non-clients, including former employees, with a view to giving publicity to the public accountant, or to the range of services or technical materials of his firm, is prohibited.

(12) A public accountant must not use to his or his firm's professional advantage his appointment to public office, his involvement in any matter of public importance or the award of any distinction to himself or his firm.

(13) Notwithstanding sub-paragraph (12), where a public accountant receives an appointment to public office, engages in an activity that has national or local importance or receives an award of any distinction, he may, in connection with that appointment, activity or award, give —

- (a) his name and address;
- (b) the designation "Certified Public Accountant" or the initials "CPA";

- (c) his postgraduate accountancy degrees and non-accountancy qualifications;
- (d) the name of his firm; and
- (f) his position in the firm.

(14) Where a public accountant or his firm contributes to good causes (including registered charities and other causes concerned with the promotion of education, sports or the arts), whether by way of donation, sponsorship or subscription, the public accountant or his firm may allow the recipient to acknowledge the contribution publicly if the reference to the public accountant in the acknowledgment —

- (a) is limited to the name of the public accountant and his firm, the designation “Certified Public Accountant” or the initials “CPA”, and the public accountant’s position in the firm; and
- (b) does not bring the public accountant or the accounting profession into disrepute.

(15) A public accountant may —

- (a) endow any educational institution with prizes and scholarships;
- (b) be identified in the name of the prizes and scholarships as the endower; and
- (c) use his or the firm’s logo and the designation “Certified Public Accountant” or the initials “CPA” in connection with the prizes and scholarships.

(16) A public accountant must use stationery of good form which must conform with the requirements of the Board as to the use and presentation on the stationery of —

- (a) the names of partners and others who participate in the practice;
- (b) designations and designatory letters;
- (c) addresses;
- (d) telecommunication numbers;
- (e) the names of cities or countries where the practice is represented; and
- (f) logo types.