

The Institute of Certified Public Accountants

(Reg No: Maharashtra/252/2015, Registered under the societies registration act, 1860)

Registered Address: 4582 A, Sangli Ves, Guruwar Peth, Miraj -41610. Dist Sangli,
Maharashtra-India

Email:secretary@icpaindia.org Tel: +91 8213912283 Website: www.icpaindia.org

Subject: Our Stand on Tax Practitioners, Our Vision & Mission 2020...

Respected Tax Practitioner Brothers,

Following are the Problems Tax Practitioners are currently facing -

1. Tax Practitioners are authorized by their respective tax legislation but are **not recognized for what they offer!** (**Both In respect of main Taxation or Allied Accounting/Financial Services**)
2. They can appear but **can't sign client's returns!** (Which they have prepared)- This is not the case in foreign countries... It's demoralizing as TRP can sign but TPr can't sign..!
3. **Can't sign off Accounts** of even Non Corporate & Un-audited Financial Statements. Which is again mostly compiled/ prepared by a Tax Practitioner!
4. **No statutory Support!** No law ever existed in India for Tax Professionals. No Monitoring. Mechanism exists. Legal Professionals Bill 2012, which covers these, is still blocked!
5. **Can't certify** any Tax Records!
6. **Can't Share** fees with Other Professional Accountants...mostly Accounts are compiled by us. We refer it to the Auditor! Neither we can Partner/ or for Multidisciplinary Firms/LLP/Co.'s with other professional accountants. As we in first place are not recognized as professional accountants! No networking of any sort with them is legally allowed!
7. **No Transparent registration facility**, it differs from state to state...**even GST and DTC are silent** (being central Statutes) on issue of transparency in registration of Tax Practitioners. **No Common register is maintained for ITP's!!!** No one has information whether the ITP /STP is practicing or working. Or even is alive or dead! No mechanism for surrender of certificate..
8. **No Educational Qualification/ Professional Designation** for Tax Practitioners...
9. **None** of the tax practitioners are as such **recognized under other business regulatory laws** like Co.'s Act/Partnership/LLP Act or Say for Registration-Compliance under PF/ESI etc...Whereas other professional accountants do have recognition for appearance for registration & returns!

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Our history shows that Tax Practitioners were working as Authorised Representatives since 1922... then why they have never progressed is the million dollar question???

The main cause we have found that Tax Practitioners are fragmented state wise... they don't have a central binding force! All credit goes to our state/local taxation laws... we never had need to interact with other state Tax Practitioners!

But past is history now...times are changing there is urgent need to upgrade our professional status or our profession will get lost in the pages of history.. Internet Technology and GST like legislation has brought us unique opportunity to come together under one umbrella and for this we have formed...The Institute of Certified Public Accountants!

- **Why we have formed The ICPA (Voluntary Accountants Institute) and Why not All India Tax Practitioners Institute?**

We all practice in Taxation laws but we don't only practice in Taxation Laws...our Allied or in fact our work begins with preparation of Financial Statements... We offer Accounting & Financial Management services also. And hence to keep pace with these allied areas we have to be amongst them! We have to join a class of professional accountants...

Over the years accounting profession has developed into many branches and has also developed a global and uniform Accounting and Auditing codes... they are otherwise known as Accounting Standards and Auditing Standards... we must have knowledge of these now as it has now introduced in our Income Tax Act as Income Computation & Disclosure Standards! It is very much applicable to non-corporates also...

And when we were forming something new for the benefit of the entire fraternity! Why should we choose something less? Globally CPA title is mostly respected... world's largest accounting professionals are known as CPA's...

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- **Are we going to have Auditing rights?**

We are not statutory professional accountants. Our laws have already created two of the world's finest institutes for this purpose...CA & CMA Institutes! And we never plan to either compete against them. We need to first accept the fact that they have undergone a professional examination and training and have passed very rigorous examinations and hence will always be superiors to us... they are our mentors... hence Auditing is their domain...

But as the state like Karnataka has given Tax Practitioners power to perform VAT Tax Audits for non-corporates. We plan to beg for Tax Audit or rather tax compliance certification work under GST and DTC for non-corporate clients

We strongly believe that Tax Audit is not Audit as such, it is compliance certification! And to further support the "Make in India" Initiative a simple single Compliance shall exist for All direct and Indirect Taxes ! (At least for Non Corporates)

We never formed our institute asking for Statutory Audits under Co.'s Act or any sort of Cost Audit/Certification/Attestation work ...

Our members may also get Limited Audit rights for Small entities under State Co-op societies and Not for profit entities (Currently Certified Auditors do have right to perform these audits apart from CA's & CMA's and these Certified Auditors are eligible for our CPA membership)

But to get audit rights we must establish that we have properly trained and competent professionals in this regards, which according to a apex court judgment in recent case in Maharashtra for VAT Audit powers to tax practitioners it was detailed that –

- We need to be professional accountant
- We need to be Trained in Accounting & Auditing,
- We need a mechanism for our professional misconduct

Therefore, to summarize to become a "Professional Accountant" we need IFAC

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(International Body) membership... (It is globally accepted definition of accountants! If we decide to get it independently – then...

- That means we need a national body of Accountants (In our case a SME's body), having at least 5000 member base and having presence in all parts of country!
- Further major hurdle is their fees and getting sponsorship from one national body which is already a member of IFAC body (i.e. CA/CMA Institute in our case)

Or if we decide to go by Affiliation route with one of the two national bodies or foreign bodies we can get the same without much of hassle more over we can get instant recognition for our course and designation.

Initiative is taken in this regards, we have formally applied for recognition to -

- Institute of Financial Accountant (UK) and Institute of Public Accountants (Australia), together they formed IPA Group... presently world's largest SME specific accounting professional's body operating globally!
- The Institute of Cost Accountants of India
- Institute of Certified Public Accountants in Ireland
- The Eurasian Institute of Certified Public Accountants /CPA Russia

(ICMAI draft proposal is attached here with annexure II for your reference)

- **Who are our members actually? What are their rights?**

As we are explaining from inception of our institute that our membership is open for all the tax practitioners and tax advocates. They both will have voting rights and they both need exclusive professional institute. This doesn't necessarily means they need only tax practitioner or only tax advocates institutes... There are hundreds of them already! Also in currently Tax practitioners association's basic constituent tax practitioner's rights were not contested... above listed problems were never considered by the current federations and state/local tax practitioner bodies... But bottom line is we should not take any step that will create conflict of interest... We must include both tax practitioners and advocates under this skill development initiative so that they too get a fair chance of becoming a SME's professional accountants.

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Now you will ask about CA/CMA professionals...let me remind you that they have their parent body and also have existing tax practitioners body for them... Majority of them are even governed by these professionals... they don't need a body like us. And we are subordinate to them. And will always be like that. Rather we are trying to work in accordance with them. They are our mentors and guides. And therefore we offer them honorary and academic membership without any voting rights. Plus we have institutional membership thing for them. They can regulate us if they affiliate our certification & training program in any way our exclusive tie up takes place. If any of the current tax practitioners association/federation (National/State/Local) or tax advocates exclusively proposed Association of Tax Lawyers or proposed Institute of Tax Practitioners of India do addresses all the issues of tax practitioners or say if CA/CMA institute recognizes tax practitioners as respectable professionals and grants them what they deserve then we will dissolve our institute. As there will not be any need for such a thing!

- **What is The ICPA's Objective? What is Vision & Mission 2016?**
 - To get respectable designation for un-organized sector of tax practitioners as CPA's and bringing in recognition as "SME's professional Accountants", having properly recognized education and training course.
 - To bring credibility to their signature so that it will be valid for signing Financial Statements of non-corporate/unaudited assesses for bank purpose, taxation purpose
 - To bring a separate tax practitioners board for all tax professionals having transparent registration and recognition of tax professionals on all India basis.. board must have a monitoring/disciplinary mechanism for all the practitioners (Legal Professional Bill 2012 deals with these issues and hence we will strive for early passage of the same)
 - To protect the interest of Tax Practitioners as "Authorised Representative" in GST and DTC and expedite passage of the same in the interest of the fraternity
 - To have recognition under Other Allied Business regulatory laws such as Co's Act/Partnership-LLP Act/Labour Laws and bringing separate certified professional status & login credentials for the same (only in respect of SME)

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- To resolve the issue fees sharing & forming partnership/multi-disciplinary Firms with other professionals and networking opportunities in respect of SME's work
 - To develop a high class Information Technology platform to address exclusive issues of SME's practicing professionals...such as Online Certification & Training...cloud based common accounting & taxation software's, office management software's/ practice guides

- **What are the details about its certification & training program? Its fees?**

Our program is still under development mode... Its structure will be as follows- **(This may change after affiliation agreement!)**

- It will be working in line with national skill development initiative & Vocational education training ...
- It's will have Four Parts that will cover following SME's knowledge Area's –
 - Financial Accounting & Reporting,
 - Banking-Financial & Management Consultancy,
 - Taxation Practice
 - Business Regulatory Laws Consultancy
- Each Part will have further sub modules with a practical assignment attached to it
- Candidate has to complete modular assignment to achieve the learning outcome and move to next assignment
- Final Assessment will be on each part and will be taken online
- No Examination as such, hence no pass/ fail criteria.. (Learning underlying skill is important than getting pass marks and having zero procedural knowledge)
- Its main features include anytime/anywhere flexible online/offline learning and certification... program will be made available on printed books/e books/ CD's etc.
- It's our endeavor to keep it below Rs.11,000 /-

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- Every member has to undergo certification & training by completing modular assessments! only difference is that Fellows are exempt from final full part assessment test and certification fees
- Maximum time is 1 year to compete the certification

We are enclosing detail syllabus in annexure attached here...

- **The main features of our institute are –**
 - It's unique SME's specific accountancy professional's body in India!
 - It issues Membership Certificates
 - It's Members can designate themselves as Associate/CPA/ Fellow Certified public accountants
 - It trains and certify its members in informal way, using latest methods as online any time anywhere training and assessment. Flexible learning options like distance audio/video based continuing professional education that we professionals can take while managing our practice.
 - It govern it's members practice in India on behalf of its **global or Affiliating body**, it will issue a practice certificate to its members
 - All its members enjoy highest professional ethics as everybody has to follow a code of conduct of professional accountants
 - **A major plus point is it issues membership to already practicing accountants & tax practitioners based on their prior learning & experience.**
 - Its membership will be globally recognized.
 - It will be working in line with national skill development initiative & Vocational education training ...

everything can't be summarized here ...rather it will be too lengthy too explain everything here...We have taken the initiative like our Indian Registered Accountants took in 1930 while forming today's CA Institute... we wish that you and your prestigious tax practitioners association should join our institute in big numbers so that our strength and voice will be heard in uniform manner at the national front...

We need Members and Funds for accomplishing our goals. We need to pay for affiliation training & certification needs! Budget is huge! Please get involved ...

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convince your tax practitioner organisation to come together to achieve this objectives.

If you do not wish to enroll as our members but wish to support our noble cause then feel free to donate generously! We need a sound independent financial organisation to build our foundation ... mail us in case you wish to donate funds...if all existing tax practitioners associations come together to achieve above objects we will not charge a single rupee for our membership...and will issue it free of cost..

We still invite you and your tax practitioner association to our governing council.. Together we can and we will achieve our goal!

Few examples of role you & your organization can play by joining us as members-

- Act as our National/State/District level committees
- Our members will have to complete a minimum number of CPE training every year to maintain their practice certificate, your associations seminars, workshop will be recognized CPE events so that your association will gain **additional compulsory attendance** from common members for your events
- Your organizations may become our managing committee members
- All your tax practitioner members will get a formal certification and training.

Following are the value additions an individual member will get from us-

- Membership Certificate entitling Associate/Fellow/CPA Designations
- Awarding of Certification as "CPA"
- Practicing Certificate (No Audit Rights) (After Certification & Training)
- Membership ID Card
- A Handbook on Membership
- Professional Practice Guides/Resources etc.

We are sure that you will definitely participate in this venture.

We request you to either Appeal all your tax practitioner members on the above matters, take lead to achieve above objectives for betterment of tax practitioners profession...

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don't pay us a single rupee ! We will issue all your members free membership and academic support but you must participate and create a common fund for developing affiliation/certification & training... and become our institutional members

Or

Share your tax practitioner members contact (Name/Address/Email/Tel no) information to our institute. So that we can write to them to start our movement to bring them together under one roof...

Your participation and cooperation is the key to our goals. Do write us back for any queries. Mail us or visit our website www.icpaindia.org for further details... if you visit our website then please see the [About Us](#), [Our certification](#), [Our Membership sections](#), [fees](#) ...it is under development...but still do visit our site...!!!

We hope to see you as a member

Thanks & Regards

Mohasin Tahasildar (AFA/MIPA, FCPA)

Founder President,

Date: 1st Jan, 2016



CPA Pro