

Guidelines

THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (Constituted under the Company Secretaries Act, 1980) ICSI Guideline No.1 of November, 2007

[Pursuant to Clause (1) of Part II of the Second Schedule to the Company Secretaries Act, 1980 as amended]

New Delhi, the 27th November, 2007

Guidelines for Issuing Compliance Certificate and Signing of Annual Return

In exercise of the powers conferred by Clause (1) of Part II of the Second Schedule to the Company Secretaries Act, 1980 (56 of 1980), as amended by the Company Secretaries (Amendment) Act, 2006, the Council of the Institute of Company Secretaries of India hereby issues the following guidelines :-

1. A member of the Institute in practice who is entitled -
 - (i) to issue compliance certificate pursuant to the proviso to sub-section (1) of Section 383A of the Companies Act, 1956 (1 of 1956); and/or
 - (ii) to sign an Annual Return pursuant to the proviso to sub-section (1) of Section 161 of the Companies Act, 1956 (1 of 1956),

shall be deemed to be guilty of professional misconduct if he -

- issues compliance certificates; and/or
- signs Annual Return

for more than eighty companies in aggregate, in a calendar year. Provided, however, that in the case of a firm of Company Secretaries, the ceiling of eighty companies aforesaid would apply to each partner therein who is entitled to (i) sign the compliance certificate in terms of the proviso to Sub-section (1) of Section 383A of the Companies Act, 1956; (ii) sign Annual Return in terms of the proviso to sub-section (1) of Section 161 of the Companies Act, 1956.

2. These Guidelines are effective from 1st January, 2008.

By order of the Council
N K JAIN, SECRETARY & CEO

THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (Constituted under the Company Secretaries Act, 1980) ICSI Guideline No.2 of November, 2007

[Pursuant to Clause (1) of Part II of the Second Schedule to the Company Secretaries Act, 1980 as amended]

New Delhi, the 27th November, 2007

Guidelines for Requirement of Maintenance of a Register of Attestation Services Rendered by Practising Company Secretary/Firm of Practising Company Secretaries

In exercise of the powers conferred by Clause (1) of Part II of the Second Schedule to the Company Secretaries Act, 1980 (56 of 1980), as amended by the Company Secretaries (Amendment) Act, 2006, the Council of the Institute of Company Secretaries of India hereby issues the following guidelines :-

1. For the purpose of maintaining quality of attestation services

provided by Company Secretaries in Practice, every Practising Company Secretary (PCS)/Firm of PCS shall maintain a register regarding attestation services provided by him/her/it, which shall be open for inspection by such person as may be authorised.

2. The Format of the register to be maintained by a Practising Company Secretary/Firm of Practising Company Secretaries regarding attestation services is as under:

Sl. No.	Name and Registration No. of the company to which attestation services* provided	Services rendered	Date of signing of Certificate/ Return/ Audit Report	Signature of the PCS	Signature of the person authorised for verification
1.	2.	3.	4.	5.	6.

* The various attestation services mean :

- (i) Signing of Annual Return pursuant to proviso to sub-section (1) of section 161 of the Companies Act, 1956.
- (ii) Issue of Compliance Certificate pursuant to proviso to sub-section (1) of section 383A of the Companies Act, 1956.
- (iii) Issue of certificate of Securities Transfers in Compliance with the Listing Agreement with Stock Exchanges.
- (iv) Certificate of reconciliation of capital, updation of Register of Members, etc. as per the Securities & Exchange Board of India's Circular D&CC/FITTC/Cir-16/2002 dated December 31, 2002.
- (v) Conduct of Internal Audit of Operations of the Depository Participants.

3. These Guidelines are effective from 1st January, 2008.

By order of the Council
N K JAIN, SECRETARY & CEO

THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (Constituted under the Company Secretaries Act, 1980) ICSI Guideline No. 3 of November, 2007

[Pursuant to Clause (1) of Part II of the Second Schedule to the Company Secretaries Act, 1980 as amended]

New Delhi, the 27th November, 2007

Guidelines for Compulsory Attendance of Professional Development Programmes for the Members

In exercise of the powers conferred by Clause (1) of Part II of the Second Schedule to the Company Secretaries Act, 1980 (56 of 1980), as amended by the Company Secretaries (Amendment) Act, 2006, the Council of the Institute of Company Secretaries of India hereby issues the following guidelines :-

1. INTRODUCTION

The Company Secretaries Act, 1980 was enacted to make provisions for the regulation and development of the profession of Company Secretaries. The Institute of Company Secretaries of

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India set up under the said Act has been conducting examinations and prescribing standards for adherence by its members.

Members of the Institute in employment occupy important positions in industry. The concept of whole-time practice, which gained its initial recognition in 1988, has gained momentum after the enactment of the Companies (Amendment) Act, 2000 which required Compliance Certificate to be issued by Practising Company Secretary for certain category of companies. Our members in practice are also being recognized for issuing various certificates by various regulatory authorities.

In the present day scenario, a profession cannot maintain its cutting edge competencies unless its members regularly update their knowledge. Attendance and participation in Professional Development Programs, Participative Certificate Programs organized by the Headquarters and Centre for Corporate Research and Training (CCRT), and Seminars, Conferences, Study Circle Meetings organised by the Council, Regional Councils, Chapters, Satellite Chapters, and other recognised bodies enable members to –

1. Constantly upgrade professional competence and skills.
2. Sensitize them to new and emerging opportunities for service.
3. Assure users of professional services that they possess adequate skills commensurate with their professional responsibilities.
4. Improve their level of confidence to meet ever-changing demands on the profession.

The Perspective Planning Group constituted by the Council had recommended compulsory attendance by members at Professional Development Programmes as a means of ensuring constant updation of knowledge and skills of members. The ICSI, drawing strength from these recommendations, has now decided that the following guidelines are required to be followed for giving and recording credit as well as eligible programmes and the number of Program Credit Hours to be given for each program.

2. KEY DEFINITIONS

- 2.1 “Approved Learning Program” means any Professional Development Program, Continuing Education Program, Participative Certificate Program of the ICSI, or any other program, Seminar or study circle meeting organised by the Council, Regional Council, Chapter or Satellite Chapter of the Institute, and programmes organised [jointly with professional bodies or Chambers of Commerce].
- 2.2 “Year” for the purposes of these guidelines shall mean the period commencing from 1st day of April and ending on 31st day of March following.
- 2.3 “Learning Program Centre” (LPC) means any wing of the ICSI which conducts programs and includes the Council, any Committee of the Council, Regional Councils, Chapters, Satellite Chapters and shall include any other centre, wing or any other entity as may be recognized by the Council from time to time for this purpose.

3. AUTHORISATION AND METHOD OF REGULATION

- 3.1 Under Section 9 of the Company Secretaries Act, 1980, the responsibility for management of the affairs of the Institute

and for discharging the functions assigned under the said Act vests with the Council.

- 3.2 The Council considers that in the context of the liberalised economy and the competitive environment, proper regulation and maintenance of the status and standards of the Members is necessary for ensuring competency of the members.
- 3.3 Pursuant to the above-mentioned authorizations, these guidelines are therefore being issued for implementation.
- 3.4 Compliance with these guidelines is mandatory for the members in practice and recommendatory for other members.
- 3.5 For the removal of doubts, it is clarified that all issues relating to the implementation and interpretation of terms used in these guidelines shall be the responsibility of the Professional Development Committee constituted by the Council. The Committee may discharge its duties in this regard (including issue of supplementary guidelines from time to time) for implementation within the limits of its authority as specified or prescribed by the Council.

4. POWER TO MODIFY GUIDELINES

To ensure that these guidelines are dynamic, the requirements, conditions or terms specified in these guidelines may be modified from time to time at the discretion of the Council on the recommendations of the Professional Development Committee of the Council.

5. APPLICABILITY OF THE GUIDELINES

5.1 It is mandatory for all members in practice of the Institute, except those specified in para 6.2 to secure **12 Program Credit Hours (PCH) in a year or 40 Program Credit Hours in a block of 3 years by attendance of approved learning program.** However, no carry forward for excess Program Credit Hours from block of three years to another block of three years will be allowed.

5.1.1 It would be sufficient if a member obtains atleast **twelve credit hours in a year or 40 credit hours in a block of three years.** If a member takes a Certificate of Practice during the block, the requirement for obtaining Credit Hours shall be as under :

<i>Certificate of Practice taken during</i>	<i>The requirement of Credit Hours</i>
<i>1st April to 30th September of the first year of the block</i>	<i>Twelve Credit Hours in a year or 40 Credit hours in the block of three years</i>
<i>1st October to 31st March of the first year of the block</i>	<i>No requirement of Credit Hours in the First Year of the block. Twelve Credit Hours each in the second and third year of the block</i>
<i>1st April to 30th September of the second year of the block</i>	<i>Twelve Credit Hours each in the second and third year of the block</i>
<i>1st October to 31st March of the second year of the block</i>	<i>No requirement of Credit Hours in the second year of the block. Twelve Credit Hours in the third year of the block</i>
<i>1st April to 30th September of the third year of the block</i>	<i>Twelve credit Hours in that year</i>
<i>1st October to 31st March of the third year of the block</i>	<i>No requirement of Credit Hours in that block</i>

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No credit hours will be given to a participant who attends the programme partially.

Members whose reply to prize queries is published in the Chartered Secretary will be entitled to four Programme Credit Hours].

5.2 The requirement specified above shall not apply to:

- (i) A member who has attained the age of 65 years.
- (ii) A member to whom the Professional Development Committee may in their absolute discretion grant partial/full exemption on account of facts and circumstances of the case which, in the opinion of the said Committee, prevents such member from compliance with these guidelines.

6. FUNCTIONS OF THE LEARNING PROGRAM CENTRES

- 6.1 To conduct programs on current topics for the benefit of the members.
- 6.2 To maintain attendance record of the member attending the program in a manner which will be prescribed.
- 6.3 To furnish periodic Activity and Attendance Report to the Headquarters of the ICSI for updation in the master database.

7. OBLIGATIONS OF THE MEMBER

- 7.1 A personal record of compliance with the requirements of Program Credit Hours is required to be maintained by each member on an annual basis. This record shall be open to verification by the Institute.
- 7.2 At the time of payment of annual membership fees, every member is required to confirm that they have secured the minimum annual Program Credit Hours (PCH) and that the record can be produced to the Institute for verification on request.

8. MANNER OF CALCULATION OF PROGRAM CREDIT HOURS (PCH)

- 8.1 No Program Credit Hours will be awarded for any learning program whose duration is less than 1 hour.
- 8.2 The basis of calculation of Program Credit Hours will be as under:

<i>No. of hours of Learning Program attended by the member</i>	<i>Program Credit Hours (PCH)</i>
Beyond 1 hour and upto 2 hours	1
Beyond 2 hours and upto 4 hours in a single day	2
Beyond 4 hours in a single day	4
Program spanning 1 ½ days	6
Program spanning 2 days	8
Program spanning 2 ½ days and above/ National Convention	10

- 8.3 A member whose article is published in the "Chartered Secretary" will be entitled to 4 Program Credit Hours.

In respect of joint authorship of the article, the two credit hours be awarded to each author. However, the joint authorship should be limited to two authors only.

The article published in the Souvenir of National Convention be treated at par with the article published in the Chartered Secretary for the purposes of grant of credit hours.

- 8.4 If the Course Coordinator attends the full program, full credit of the Program Credit Hours allotted for the program will be given.

- 8.5 No Program Credit Hours shall be given to a member for acting as a faculty in Oral Tuition Classes.

- 8.6 There may be cases of members contributing articles in newspapers, working on research projects, preparation of or vetting of background or technical material, participating in interactive media programs, etc. All such cases will be decided by the Committee on case to case basis until fresh guidelines covering such instances are drawn up.

- 8.7 A member who acts as a Chairman or Speaker in any technical session at a Workshop, Seminar or Conference organised by the Program Learning Centre will be entitled to equivalent number of Program Credit Hours as is available for the said technical session.

- 8.8 For Members who reside in places beyond 100 km from the nearest Regional Council/Chapter/Satellite Chapter and attend a program at any Program Learning Centre, they shall be awarded double the Program Credit Hours for which the concerned Program is entitled. However this will not apply to attendance at the National Convention/National Conference of Practising Company Secretaries/Regional Conferences organised by the Regional Councils. *Such members have also the option to prepare a research paper on a topic recommended by the Secretariat.*

Where the members in practice residing in remote places are not able to attend the professional development programmes, they may write to the Institute for approving a topic on which they can prepare research paper to get the exemption from securing programme credit hours.

The Research paper includes :

- (i) A concept paper on emerging areas of practice for Company Secretaries
- (ii) A Referencer/backgrounder on contemporary topics relevant to Company Secretaries
- (iii) A booklet on any topic relating to the areas of practice for Company Secretaries
- (iv) A monograph on any contemporary topic relevant to the Practising Company Secretaries
- (v) An empirical study of practical relevance to the Practising Company Secretaries

Members whose research paper is approved by the Professional Development Committee of the Council, will be exempted from the requirement of securing programme credit hours for a block of three years.

Members who reside in places beyond 100 Kms. from the nearest Regional Council/Chapter/Satellite Chapters will be entitled for Eight Programme Credit Hours if their article/reply to prize query is published in the Chartered Secretary.

9. MONITORING REQUIREMENTS

- 9.1 The Professional Development Committee will monitor and review the programs conducted by the various Program

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Learning Centres from time to time and appraise the Council of the progress.

- 9.2 The said Committee shall set up an appropriate monitoring mechanism and provide clarifications (as it considers necessary) to all concerned for effective implementation of these guidelines *as per Annexure*.

10. These Guidelines are effective from 1st January, 2008.

By order of the Council
N K JAIN, SECRETARY & CEO

Annexure

MECHANISM FOR MAINTENANCE OF ATTENDANCE RECORDS OF MEMBERS AT PROFESSIONAL DEVELOPMENT PROGRAMMES AND ISSUANCE OF CERTIFICATES FOR PROGRAMME CREDIT HOURS (PCH)

The Council has considered and approved the following mechanism for maintenance of attendance records of members at professional development programmes and issuance of certificates for Program Credit Hours under the Guidelines for Compulsory Attendance of Professional Development Programmes by Members:

1. The Program Centre shall ensure the quality of the programmes organized by it by inviting faculty having adequate knowledge, expertise and experience in the given subject/topic for discussion.

The brochure for every professional development programme should indicate the programme Credit Hours to be awarded to the participants.

2. The Program Centre will record the attendance of the participants and maintain the same for future reference and issue the certificates for Program Credit Hours in the prescribed format.
3. The Directorate of Information Technology in the Headquarters will develop software for recording and maintaining the attendance of members at the Professional Development Programmes and send to all Regional Councils/Chapters/Satellite Chapters.
4. The headquarters will initially provide to Regional Councils printed blank formats of certificates, which will be serially numbered.
5. Regional Councils/Chapters/Satellite Chapters will maintain the list of names and membership numbers of the participants as well as faculty/Chairman/Speaker and Program Credit Hours given to each of them together with their signatures duly authenticated by competent authority for this purpose.

Explanation: Competent authority means (i) in the case of Regional Council Chairman or Secretary of the Regional Council or Executive Officer (ii) in the case of Chapter/Satellite Chapter, Chairman or Secretary or Executive Officer, if any, of the Chapter/Satellite Chapter.

A Register be prepared for recording names of participants and obtaining their signatures both at the beginning as well as at the end of the programme.

6. At the time of renewal of membership every year, the members will send a declaration stating the name of the programmes attended, program learning centre, place, date, duration and number of Program Credit Hours secured during the calendar year to the Directorate of Training and Membership of the ICSI.

THE INSTITUTE OF COMPANY SECRETARIES OF INDIA Northern/Eastern/Western/Southern India Regional Council

CERTIFICATE FOR PROGRAM CREDIT HOURS

Name of the Program Learning Centre:

This is to certify that Ms./Mr attended (Name of the Programme) held on at for days/hours as a participant/faculty/speaker/course coordinator/chairman in a technical session.

According to the Institute's Guidelines for Compulsory Attendance of Professional Development Programmes by Members, she/he is hereby awarded Program Credit Hours.

Competent Authority

Date
Place

THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

CERTIFICATE FOR PROGRAM CREDIT HOURS

This is to certify that Ms./Mr has contributed an article in Chartered Secretary/Convention Souvenir, which was published in the Month of

According to the Institute's Guidelines for Compulsory Attendance of Professional Development Programmes by Members, she/he is hereby awarded Program Credit Hours.

Competent Authority

Date
Place

THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

CERTIFICATE FOR PROGRAM CREDIT HOURS

This is to certify that Ms./Mr has contributed an article in a Newspaper/worked on research project/prepared or vetted backgrounder or technical material/participated in interactive media programs

According to the Institute's Guidelines for Compulsory Attendance of Professional Development Programmes by Members and as per the decision of the Professional Development Committee at its meeting held on she/he is hereby awarded Program Credit Hours.

Competent Authority

Date
Place