



**CODE OF CONDUCT  
AND ETHICS FOR  
COUNCIL MEMBERS AND  
SENIOR MANAGEMENT  
OF THE INSTITUTE**



**THE INSTITUTE OF  
Company Secretaries of India**

**भारतीय कम्पनी सचिव संस्थान**

**IN PURSUIT OF PROFESSIONAL EXCELLENCE**

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

# ICSI CODE OF CONDUCT AND ETHICS FOR COUNCIL MEMBERS AND SENIOR MANAGEMENT OF THE INSTITUTE

(As approved by the Council in its 275<sup>th</sup> Meeting dated 26<sup>th</sup> - 27<sup>th</sup> March 2021 and amended by the Council in its 286<sup>th</sup> Meeting dated 21<sup>st</sup> July, 2022)

## INTRODUCTION

There is a considerable increase in the expectations of the members, students and other stakeholders that all those who are vested with policy/ decision making should act and conduct themselves as per certain ground rules of ethical conduct. Purpose of the 'Code of Conduct and Ethics for Council Members and Senior Management of the Institute' (hereinafter referred to as the **"Code"**) is therefore, to lay down certain ground rules to promote ethical conduct and good practices. Further, Code of Conduct shall be a step towards ethical decision making in which strategic management decisions are taken after due deliberations and objective analysis of facts, free from personal biases, leanings, subjectivity or emotional perceptions. The matters covered in this Code are of utmost importance to the Institute of Company Secretaries of India ("Institute"), its members, students *and other stakeholders* including Government, Regulators, Trade and Industry and other users of services of the Company Secretaries.

The Code is designed to assist in defining appropriate personal and professional conduct, to provide guidance in the identification and resolution of ethical issues, and to help the members of the Council and the members of the Senior Management of the Institute to maintain the culture of honesty, integrity, transparency and accountability.

The Code of Conduct shall be in addition to and not in derogation of the Code of Conduct to members of the Institute as regards the Council Members and the Code of Conduct

laid down in the ICSI Service Rules as regards the members of the Senior Management of the Institute. Every Council Member and Member of the Senior Management must comply with this Code in letter and spirit.

For the purpose of this Code, ‘Senior Management’ would comprise all functional heads.

## **APPLICABILITY OF CODE**

The Code of Conduct and Ethics applies to the members of the Council \*(excluding Government Nominees) and the members of the Senior Management of the Institute. The Code of Conduct and Ethics also applies *mutatis mutandis* to the members of the Regional Council and Members of Managing Committee of the Chapters. \*In the case of Regional Councils and Chapters, the term “Council Members” wherever appears in this Code shall be read as “Members of the Regional Council” and “Members of the Managing Committee of the Chapters” respectively.

*\*Amended by the Council in its 286<sup>th</sup> Meeting dated 21<sup>st</sup> July, 2022.*

## **1. COMPLIANCE WITH LAW**

All Council Members and the members of the Senior Management of the Institute must respect and comply with all laws, rules and regulations of India in relation to discharge of their duties and obligations as such. Violating the law must be avoided under any circumstances. During the course of discharge of their duties, if the Council Member(s) and the member(s) of the Senior Management come across any such instance(s) of violation/ non-compliance of law, rules and regulations, they shall forthwith bring the same to the notice of the President, Vice President and the Council. In case of Regional Councils and Chapters, the terms “President” and “Vice President” shall be replaced by “Chairman” and “Vice Chairman” respectively

## 2. CONFLICT OF INTEREST

Each Council Member and every member of the Senior Management should avoid any conflict of interests with that of the Institute. A 'conflict of interest' exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Institute. The Council Members and the members of the Senior Management must avoid situations involving actual or potential conflict of interest.

Conflict of interest may also arise when a Council Member or a member of the Senior Management or members of his or her family, or an organization with which the Council Member or Senior Management is affiliated, receives benefits as a result of the Council Member's or Senior Management's position.

The Council Members shall disclose their substantial interest at the time of joining the Council of the Institute and shall do so annually in the form prescribed in **SCHEDULE-I** in the month of May of the subsequent year.

All members of the Senior Management shall provide declaration of interest in the form prescribed in **SCHEDULE-II** at the time of joining service and annually thereafter in the month of April of the subsequent year.

Any situation that involves or may involve a conflict of interest must be promptly disclosed. No transaction, which involves actual or potential conflict of interest, should be undertaken by persons in the category of "Senior Management" without prior approval of the Secretary and in case of Council Members, without the approval of the Council. The disclosure made and/or the approval granted shall be taken note of by the Council.

## 3. FAIR DEALING

Each Council Member and member of the Senior Management should endeavor to deal fairly with the Institute's members and students. No Council Member or member of the Senior

Management of the Institute should take unfair advantage of any situation through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

In addition, all Council Members and the members of the Senior Management are expected to observe the highest standards of ethics.

#### **4. GIFTS AND BUSINESS ENTERTAINMENT**

Under no circumstances the Council Members or the members of the Senior Management of the Institute shall solicit, accept or agree to accept anything of value for the benefit of any person from anyone doing or seeking to do business/dealings with the Institute that is perceived as intended, directly or indirectly, to influence any business/ professional decision. Invitations from business partners, especially suppliers may only be accepted if the occasion and the scope of the invitation are appropriate and refusing the invitation may be considered discourteous.

#### **5. PROFESSIONAL OPPORTUNITY**

The Council Members and the members of the Senior Management shall not exploit for their own personal gain, opportunities that are discovered through the use of Institute's property, information or position unless the opportunity is disclosed fully in writing to the Council and the Council permits to pursue such opportunity.

The Council Members and the members of the Senior Management are specifically prohibited from:

- a. Taking for themselves personally any opportunity that properly belongs to the Institute or is discovered through the use of Institute's property, information, name or position;

- b. Using Institute's property, information, name or position for personal gain; and
- c. Competing with the Institute in any manner directly or indirectly.

If a Council Member or a member of the Senior Management reasonably believes or has a reason to believe that a contemplated transaction/ dealing might be the Institute's opportunity or a competitive transaction, the Council Member or member of the Senior Management should make full disclosure to the Council through the appropriate channel and seek its prior authorization to pursue such transaction.

## **6. CONFIDENTIALITY**

The Institute's confidential information is a valuable asset. The Institute's confidential information may include information about members, students, employees, Council discussions, decisions, future plans, proposals and list of associates, affiliates, stakeholders, dealers and employees and financial information.

All the information which is marked as 'confidential' must be used for the benefit and in the best interest of Institute and profession of Company Secretaryship. Every Council Member and member of the Senior Management must safeguard the confidentiality as above.

The Council Members and the members of the Senior Management must maintain the confidentiality of the 'confidential information', which comes to their knowledge/ custody, except when disclosure is authorized or legally required. Confidential information includes all non-public information that might be prejudicial to the interest of the Institute, if disclosed.

The confidential information, discussions, documents and data should be dealt with utmost care and should not be shared or

passed on to any person/ outsider under any circumstances, directly or indirectly without authorization.

## **7. USE OF INSTITUTE'S ASSETS**

All Council Members and the members of the Senior Management should protect the Institute's assets and ensure their proper use. Theft, carelessness, mishandling and waste should always be avoided.

## **8. ENCOURAGING THE REPORTING OF ILLEGAL OR UNETHICAL BEHAVIOUR**

The Council Members and the members of the Senior Management should endeavor to ensure that the Institute:

- a. encourages employees to talk to their superiors and other appropriate personnel when in doubt about the best course of action in a particular situation;
- b. encourages employees to report violation of laws, rules, regulations or the Institute's Code of Conduct or the Service Rules, as the case may be, to appropriate senior official(s) in the hierarchy;
- c. informs employees that the Institute will not allow retaliation for reports made in good faith.

## **9. INSIDER INFORMATION**

It is prohibited to use or tip others on the basis of any insider information, before it is made available to the public and information about any matter has been sufficiently disseminated in public to enable the users of the information to evaluate it. 'Insider information' means any information which is not in public domain / knowledge and which can be used to influence the members' / students' decision in relation to the Institute/ Professional matters/ Students' career. The purpose of this policy is both to inform about the legal

responsibilities and to make clear to the Council Members and the members of the Senior Management that the misuse of sensitive information is contrary to the Institute's policy and applicable laws of India.

## **10. CONDUCT**

All Council Members and the members of the Senior Management are expected to conduct themselves in such a manner so as to uphold the grace, dignity and professional standing of the Institute.

## **11. SEXUAL HARASSMENT**

Council Members and the members of the Senior Management must not engage in conduct that could be construed as sexual harassment. Unwelcome sexual advances, sexually suggestive statements or questions, offensive jokes, offensive touching or petting, requests for sexual favours, displaying or showing sexually suggestive material, and other verbal or physical conduct of a sexual nature may be forms of sexual harassment.

The Institute's policy prohibits retaliation against any individual who complains of, or reports an instance of, sexual harassment or participates in an investigation of a sexual harassment complaint.

## **12. POLITICAL ACTIVITIES**

Council Members and the Members of the Senior Management should make it clear at all times that his/ her participation in political activities is in the capacity of a private citizen and not as a representative of the Institute. For legal and other reasons, political activities must not be conducted by members of the senior management during working hours.

Council Members and the Members of the Senior Management must not involve themselves in the use of the Institute's



assets and facilities for any political purpose or gain or make any political contribution directly or indirectly on behalf of the Institute.

### **13. ATTENDANCE AND PARTICIPATION IN THE MEETINGS**

Each Council Member shall strive to attend all meetings of the Council or the Committees thereof, of which he/ she is a member and participate faithfully and conscientiously so as to contribute for the development and regulation of the profession of Company Secretaryship.

### **14. COLLECTIVE RESPONSIBILITY**

Each Council Member shall at all times honour, propagate and support the decisions taken or policies adopted at the meetings of the Council or any Committee thereof irrespective of his/ her dissent or personal disagreement on the matter.

Difference of opinion / perceptions, if any, amongst the Council Members or amongst the Council and Regional Councils/ Chapters must be discussed internally and be resolved amicably, through dialogue in a congenial atmosphere extending full respect to the Chair.

### **15. OATH OR AFFIRMATION BY THE COUNCIL MEMBERS**

Every Council Member shall, before entering upon his office, make and subscribe in the presence of the President, an oath or affirmation as specified in *SCHEDULE-III*.

### **16. DUTY OF CARE AND DILIGENCE**

Every Council Member and every member of the Senior Management shall discharge his/ her duties and fulfill his/ her obligations to the Institute with care and diligence.

### **17. DEVELOPMENT OF ETHICAL CULTURE**

Every Council Member and member of the Senior Management

shall strive to promote and encourage development of ethical culture in the Institute and the profession of Company Secretaryship.

## **18. ADMINISTRATION AND WAIVER**

Any waiver of any provision of this Code for Council Members or Senior Management of the Institute may be granted only by the Council, upon recommendation of the Executive Committee.

## **19. MONITORING COMPLIANCE OF THE CODE**

All the Council Members of the Institute shall give annual certification for the previous year (April to March) with respect to compliance of this Code in the format prescribed in **SCHEDULE-IV** in the month of May of the subsequent year.

Any non-compliance of this Code shall be reported by the Secretary to the Council alongwith reasons in writing given by the concerned Council member(s). Thereupon, the Council may consider the matter in a duly convened meeting. For the sake of clarity, such matter shall not be considered by way of Resolution by Circulation.

All the members of the Senior Management of the Institute shall give annual certification for the previous year (April to March) with respect to compliance of this Code in the format prescribed in **SCHEDULE-V** in the month of April of the subsequent year. Any non-compliance of this Code shall be reported by the Secretary to the Council. The Council may consider the same and take suitable action with regard to the non-compliance/ violation of this Code.

## SCHEDULE-I

To  
The Council of  
The Institute of Company Secretaries of India  
ICSI House  
22, Institutional Area, Lodi Road,  
New Delhi – 110 003

### INITIAL DISCLOSURE/ ANNUAL DISCLOSURE FOR THE YEAR

I, \_\_\_\_\_, Council Member of the Institute of Company Secretaries of India (THE ICSI), do here by declare that:

1. I may be deemed to be interested in the following Companies/Body Corporate/ Partnership Firms/ Limited Liability Partnerships (LLPs)/ other entities as Director, Partner, Proprietor or otherwise holding any position such as owner/ promoter/ director/ partner/ proprietor:

<b>S. No.</b>	<b>Name of the Company/ Body Corporate/ Partnership Firm/ LLP/ other entity</b>	<b>Position held</b>

2. I, singly or jointly with my relatives\* hold 25% or more of the paid-up share capital / entitled to 25% or more share of the contribution or capital or profits/ loss in any of the following Companies/ Body Corporate/ Partnership Firms/ Limited Liability Partnerships/ other entities:

<b>S. No.</b>	<b>Name of the Company</b>	<b>Particulars of interest (%age)</b>

3. I do not attract any of the disabilities under Section 8 of the Company Secretaries Act, 1980, from continuing to be a member of the ICSI or from continuing to be a Council Member of the ICSI.
  
4. None of the entities mentioned in Serial Nos. 1 & 2 above have entered into any transaction with the ICSI during the financial year ended 31<sup>st</sup> March, \_\_\_\_\_ in which I have a personal interest that may have potential conflict with the interest of the ICSI.

\*'Relative' in relation to an individual, means the spouse, son, daughter, brother, sister, father and mother.

Place:

Date:

**(Signature)**

## SCHEDULE -II

To  
Secretary  
The Institute of Company Secretaries of India  
ICSI House  
22, Institutional Area, Lodi Road,  
New Delhi – 110 003

### Sub.: Declaration of Interest

Sir,

During the Financial Year under report / from the date of joining until the date of signing this declaration:

- (i) I have carried out/ not carried out any pecuniary transactions, with ICSI or any of its subsidiaries/ chapters/ associated bodies (namely – \_\_\_\_\_) / either directly or through any of my relatives as per the list given in Annexure hereto.

If yes, give details

\_\_\_\_\_

- (ii) I'm interested/ not interested directly or indirectly through any of my relatives with regard to any contracts entered into by the Institute with third parties during the reporting period.

If interested, give details

\_\_\_\_\_

- (iii) None of my relatives are employed in regular roles/ contractual basis/ consultancy basis in any of the offices of the Institute, including its subsidiaries, chapters and other associate offices, namely:

If employed give details;

\_\_\_\_\_

Signature		Date	
Name		Employee Code	
Designation			

## Annexure

### List of Relatives with respect to the Employee of ICSI.

1. Members of a Hindu Undivided Family;
2. Husband and wife;
3. Father: Provided that the term “Father” includes step-father;
4. Mother: Provided that the term “Mother” includes the step-mother;
5. Son: Provided that the term “Son” includes the step-son;
6. Son’s wife;
7. Daughter;
8. Daughter’s husband;
9. Brother: Provided that the term “Brother” includes the step-brother;
10. Sister: Provided that the term “Sister” includes the step-sister;
11. Spouse of Brother or Sister;
12. Children of Brother or Sister or their Spouse.

## SCHEDULE-III

### OATH OF SECRECY

I, \_\_\_\_\_ Son/ daughter/ wife of Shri \_\_\_\_\_ being a member of the Council of the Institute of Company Secretaries of India hereby declare and solemnly affirm to pledge myself to observe strict secrecy with regard to the confidential discussions, proceedings and decisions of the Council and/ or its Committees and not to reveal any of the confidential matter which may come to my knowledge in the discharge of my duties as a Member of the Council except when required so to do by the Council or as may be necessary to comply with the orders of a competent Court or when such information is available in public domain.

I further affirm that I shall adhere to the Code of Conduct and Ethics for Council Members and Senior Management of the Institute, as approved and adopted by the Council in its 275<sup>th</sup> meeting held on 26 -27<sup>th</sup> March, 2021 and as amended from time to time.

**(Signature)**

Place:

Date:



## SCHEDULE - IV

### ANNUAL CERTIFICATION BY COUNCIL MEMBER(S)

“I, \_\_\_\_\_, \_\_\_\_\_ (designation) do hereby acknowledge and confirm that during the Financial Year \_\_\_\_\_, to the best of my knowledge and belief, subject to the instances (if any) stated in the Annexure hereto, I have not come across any violation of the provisions of the ‘ICSI Code of Conduct and Ethics’/ Company Secretaries Act, 1980, the rules and regulations made thereunder or any of the policies or legal/ regulatory requirements of the Institute, as may be applicable to my responsibility.”

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

ACS/FCS No. : \_\_\_\_\_ C.P. No. (if any): \_\_\_\_\_

Designation : \_\_\_\_\_

Place : \_\_\_\_\_

Date : \_\_\_\_\_

## SCHEDULE- V

### ANNUAL CERTIFICATE OF COMPLIANCE BY SENIOR MANAGEMENT TEAM

1. This is to certify that to the best of my knowledge and information available in the records, as the \_\_\_  
\_\_\_\_\_ of  
the Institute of Company Secretaries of India, during the financial year ....., I have exercised all the necessary due diligence in exercise of the powers and the duties conferred upon me under the Company Secretaries Act, 1980, the Rules and the Regulations made thereunder, and other applicable laws.
2. This is to further certify that during the financial year under purview, the necessary standards and procedures, as required under the 'ICSI Code of Conduct and Ethics', the Company Secretaries Act, 1980, the Rules and Regulations made thereunder; and the guidelines, circulars, notifications, directions, instructions, guidance, orders, letters issued by the Council/ Committees from time to time, have been followed in the desired spirit and intent. Further, the systems, standards, procedures, operational controls which are necessary and required in conformity to the applicable laws and Council decisions are in place; and, are reviewed from time to time, as may be necessary considering the applicable laws, Council decisions, plans, risks, budgets and objectives of the Institute.
3. This is to further certify that during the financial year under purview, necessary disclosures wherever required have been made relating to the transactions, if any, done directly or indirectly with a relative or a related party.

4. This certificate is issued after scrutiny of the certificate of compliance submitted by the *respective [immediate reporting officers/ Heads of all the Directorates]* of the Institute and based upon the due diligence and periodical reviews made by them from time to time.
5. The undersigned is conscious of the fact that the Council members will place complete reliance on this Certificate and that on the strength of this Certificate the Council members will issue their respective Annual Certifications.

Date: **(Name and Designation)**

Place: **Signature**

*\*[delete which is not applicable].*