

Chartered Accountants (Procedures of Meetings of Quality Review Board, and Terms and Conditions of Service and allowances of the Chairperson and members of the Board) Rules, 2006

In exercise of the powers conferred by clauses (f) and (g) of Sub-section (2) of Section 29A of, read with Section 28C and Sub-section (1) of Section 28D of, the Chartered Accountants Act, 1949 (38 of 1949), the Central Government hereby makes the following rules namely:

1. Short title and commencement.— (1) These Rules may be called the Chartered Accountants Procedures of Meetings of Quality Review Board, and Terms and Conditions of Service and allowances of the Chairperson and members of the Board Rules, 2006¹.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.—(1) In these Rules, unless the context otherwise requires,

- (a) "Act" means the Chartered Accountants Act, 1949;
- (b) "Board" means the Quality Review Board formed under Sub-section (1) of Section 28A of the Act;
- (c) "Council" means the Council constituted under section 9 of the Act;
- (d) "Institute" means the Institute of Chartered Accountants of India set up under the Act.

(2) Words and expressions used but not defined in these Rules and defined in the Act shall have the same meaning as assigned to them in the Act.

3. Procedure for Meetings of the Board.— (1) All meetings of the Board shall, ordinarily, be held at the headquarters of the Institute.

(2) The date and time of any meeting shall be fixed by the Chairperson:

Provided that a notice of not less than 15 days before the scheduled date of every such meeting shall be given by the Chairperson or any person so authorised by him to the other members of the Board:

Provided further that the Chairperson, for reasons to be recorded in writing, may call for a meeting at a shorter notice:

Provided also that not more than six months shall elapse between any two meetings.

(3) The quorum for transaction of any business at a meeting of the Board shall be of four members, of which at least one must be nominated by the Central Government under Sub-section (3) of Section 28A of the Act.

(4) The Chairperson shall chair all the meetings of the Board:

Provided that in the absence of Chairperson, the members shall elect any of the members present on the day of the meeting to chair the meeting.

(5) All questions which come up before any meeting of the Board shall be decided by a majority of the members present and voting, and in the event of an equality of votes, the chairperson or in his absence, the member presiding, shall have a second or casting vote.

² [**3A. Sitting Fees of Chairperson and Members of Quality Review Board**- The Chairperson and the members of the Quality Review Board shall be paid the following amount for each meeting namely:-

- (a) for each meeting of the Quality Review Board - twenty thousand rupees;

¹ Issued by Ministry of Corporate Affairs vide notification No. G.S.R. 735 (E) dated 27.11.2006 and published in the Gazette of India on 05.12.2006.

² Inserted by Ministry of Corporate Affairs vide notification No. G.S.R. 8 (E) dated 10.01.2012 and published in the Gazette of India on 11.01.2012.

- (b) for any other meeting called by the Quality Review Board or sub-committee - five thousand rupees”];

4. Transaction of Business.—The business of the Board shall ordinarily be transacted at a meeting of the Board.

5. Agenda for the Board meeting.—(1) The agenda for a meeting of the Board shall be decided by the Chairperson.

(2) Any matter referred to it by the Central Government or the Council shall be included in the agenda for the meeting of the Board within time limits specified, if any, in such a reference.

(3) The Chairperson may, in appropriate cases, circulate the agenda note and related papers on any issue among members of the Board for resolution by circulation:

Provided that if six members of the Board require that any question be decided at a meeting, the Chairperson shall withdraw the papers from circulation and have the question determined at a meeting of the Board.

(4) A decision taken by the circulation of the papers shall be communicated to all the members and shall be noted at the next meeting of the Board.

6. Procedures to be followed by the Board.— In the discharge of its functions, the Board may,—

(a) on its own or through any specialized arrangement set up under the Institute, evaluate and review the quality of work and services provided by the members of the Institute in such manner as it may decide;

(b) lay down the procedure or evaluation criteria to evaluate various services being provided by the members of the Institute and to select, in such manner and form as it may decide, the individuals and firms rendering such services for review;

(c) call for information from the Institute, the Council or its Committees, Members, Clients of members or other persons or organisations in such form and manner as it may decide, and may also give a hearing to them;

³ ["Provided that where the Board does not receive the information called for by it from any Member of the Institute, the Board may request the Institute to obtain the information from the Member and furnish the same to the Board:

Provided further that where the Board does not receive the information called for by it from any company registered under the Companies Act, 1956 (1 of 1956), the Board may request the Central Government in the Ministry of Corporate Affairs for assistance in obtaining the information."];

(d) invite experts to provide expert/technical advice or opinion or analysis or any matter or issue which the Board may feel relevant for the purpose of assessing the quality of work and services offered by the members of the Institute;

(e) make recommendations to the Council to guide the members of the Institute to improve their professional competence and qualifications, quality of work and services offered and adherence to various statutory and other regulatory requirements and other matters related thereto.

7. Assistance to the Board.—The Institute shall set up a specialised technical unit to—

(a) provide secretarial assistance, as required, to the Board in the discharge of its functions;

(b) to assist the Board in carrying out review of quality of services provided by the Members.

³ Inserted by Ministry of Corporate Affairs vide notification No. G.S.R. 152 (E) dated 05.03.2009 and published in the Gazette of India on 05.03.2009.

8. Terms and conditions of service of the Chairperson and Members of the Board.— ⁴ [(1) The tenure of the Chairperson and the Members of the Board shall be three years.]

- (2) The Chairperson and other members of the Board shall be part-time members.
- (3) No Chairperson or member of the Board shall be removed or withdrawn except as provided under Rule 10.

9. Travelling and other allowances. — ⁵ [(1) The Chairperson and other Members of the Board, while on tour, shall be entitled to travelling and daily allowances at the rates as follows:

(A) By Air

(i) Chairperson - By Business Class

(ii) Members - By Economy Class

(B) By Train - AC First Class

(C) The Chairperson and other Members of the Board who are Government servants shall be entitled to travel by the class as admissible to them in their official capacity.

(2) Allowances.—(i) The Chairperson and other Members of the Board who are not Government servants and whose place of residence is different from the headquarters of the Institute shall be entitled for reimbursement of lodging expenses subject to maximum of rupees six thousand per day for attending the meeting.

⁶ [“(ia) The Chairperson and other members of the Board who are not Government servants while on tour abroad shall be entitled for reimbursement of lodging expenses, travelling allowance, daily allowance and other allowances at the same rates as are admissible to a Joint Secretary to the Government of India.”]

⁷ [“(ib) The Chairperson and Members nominated by the Central Government to the Board, shall not undertake any foreign tour without the prior approval of the Central Government. Whenever such a tour is proposed, the proposal should give full justification for the tour,

⁴ Substituted by Ministry of Corporate Affairs vide notification No. G.S.R. 311 (E) dated 26.05.2020 and published in the Gazette of India on 26.05.2020.

The clause before substitution was “The tenure of the Chairperson and Members of the Board other than the members nominated by the central government shall be three years” as amended by Ministry of Corporate Affairs vide notification No. G.S.R. 152 (E) dated 05.03.2009 and published in the Gazette of India on 05.03.2009.

Before above substitution, the clause was “The tenure of the Chairperson and Members of the Board shall be three years.”

⁵ Substituted by Ministry of Corporate Affairs vide notification No. G.S.R. 152 (E) dated 05.03.2009 and published in the Gazette of India on 05.03.2009.

The clause before substitution was “9. Allowances.— (1) The Chairperson and other Members shall be entitled to travelling and daily allowances as admissible to them in their official capacity, and in case, the member is not a Government Servant, he will be entitled to the travelling allowance and daily allowance as admissible to an officer holding a post carrying a scale of pay of a Joint Secretary to the Government of India for attending meetings of the Board at the headquarters of the Institute if their place of residence is different from the headquarters of the Institute.

(2) The Chairperson and other Members of the Board whose place of residence is the same as the venue of the meeting of the Board shall be provided local conveyance or allowance for the local journeys to be performed in connection with the meetings of the Board.

(3) The Chairperson and other Members of the Board, while on tour, shall be entitled to travelling and daily allowances at the above rates.”

⁶ Inserted by Ministry of Corporate Affairs vide notification No. G.S.R. 32 (E) dated 16.01.2014 and published in the Gazette of India on 20.01.2014.

⁷ Inserted by Ministry of Corporate Affairs vide notification No. G.S.R. 148 (E) dated 08.02.2016 and published in the Gazette of India on 08.02.2016.

including its purpose, necessity and the expected outcome of the tour for the consideration of the Central Government.”]

- (ii) The Chairperson and other Members of the Board shall be entitled for daily allowance as under:
`A' class Cities: Rupees one thousand per day
Others Cities: Rupees eight hundred per day
- (iii) The Chairperson and other Members of the Board who are Government servants shall be entitled to daily allowances as admissible to them in their official capacity.
- (iv) The Chairperson and other Members of the Board whose place of residence is the same as the venue of the meeting, for local travels undertaken in connection with the Board functions, shall be provided local conveyance or shall be reimbursed the actual conveyance expenses incurred for travel by taxi including air-conditioned cab and in case they use their own car, rupees ten per kilometer.
- (v) The experts invited by the Board under rule 6, shall be entitled to travel by economy class if travelling by air and by AC first class if travelling by train and shall be entitled to allowances as specified under item (ii) of sub-rule (2) and they may also be paid fees as may be determined by the Chairperson which shall not exceed rupees five thousand, for advice on each matter referred to them.”]

10. Resignation, Removal and filling up of casual vacancy.— (1) The Chairperson and each Member of the Board shall cease to remain the Chairperson or Member, as the case may be, in case of his resignation or removal.

(2) The Chairperson or a Member of the Board may resign his office by a notice in writing under his hand addressed to the Central Government which shall be effective from the date of resignation.

(3) The Central Government may remove a person from the post of Chairperson or Member, if
(a) he has become physically or mentally incapable of acting as the Chairperson or a Member, as the case may be;

(b) he has not attended three consecutive meetings of the Board, without leave of absence;

(c) he, being the Chairperson, has not called a meeting of the Board for more than six months;

(d) he, in the opinion of the Central Government, is unable to discharge his function or perform his duties; or

(e) he has been held guilty by any civil or criminal court for an offence which is punishable with imprisonment for a term exceeding six months.

(4) A casual vacancy in the Board shall be filled by the Central Government, from out of the category in which such vacancy occurs.

11. Residuary provision.—Matters relating to the terms and conditions of services and allowances of the Chairperson and other members of the Board, the place of meetings and the procedure to be adopted in meetings of the Board, with respect to which no express provisions has been made in these rules shall be referred in each case to the Central Government for its decision and the decision of the Central Government thereon shall be binding on the Board, the Chairperson and other members.