

# **NORMS FOR CPE STUDY CIRCLES\***

**Specific guidelines on the formation and functioning of CPE Study Circles within India under the administrative jurisdiction of Branches/Regional Councils of the Institute of Chartered Accountants of India**

## **1.0 Context**

- 1.1 These Guidelines are issued for the formation of Study Circles which will carry out functions as specified in this document in order to further the objectives of the Statement on Continuing Professional Education 2003 (as amended in 2006) by the Council of the Institute of Chartered Accountants of India.
- 1.2 In view of the fact that the number of CPE hours which a member of the Institute is required to obtain to his credit in a calendar year has been increased from 25 hours in a block of three years, to 20 hours in a single year, and also in view of the fact that in order to establish parity with International Best Practice in this regard, this figure will have to go up further in the coming years (as may be approved by the Council of the Institute of Chartered Accountants of India from time to time), it has been thought prudent to create another level of Programme Organising Units (POUs) so that members of the Institute may not face any hardship in complying with the requirements as laid down by the Council of the Institute of Chartered Accountants of India in these regards.

## **2.0 Definition of a CPE Study Circle**

- 2.1 A Study Circle is a forum of members of the Institute of Chartered Accountants of India who reside/practice/serve in a particular geographical locality and who constitute themselves as such for the purpose of carrying out the objectives which are given below.
- 2.2 The constitution, formation and functioning of a CPE Study Circle are subject to the rules as given in these Guidelines.

## **3.0 Objectives of a CPE Study Circle**

- 3.1 To help members to achieve the objectives envisaged in the Statement on Continuing Professional Education
- 3.2 To provide CPE learning activities to the members of the Institute
- 3.3 To foster and develop professional fellowship, and exchange professional knowledge amongst the members of the Institute of Chartered Accountants of India residing/ practising / serving in a particular locality

## **4.0 Rules governing Constitution and Formation**

- 4.1 Subject to the provisos under Para 2.0 above, CPE Study Circles may be formed by

---

\* As amended in August 2006

- (i) Minimum 100 members in case the area falls under the jurisdiction of Branch having a membership strength exceeding 3000 members or in the city/town where Regional Council Headquarters is situated,
  - (ii) Minimum 50 members in case the area falls under the jurisdiction of the Branch having a membership strength exceeding 1500 but upto 3000.
  - (iii) No Study Circle shall be allowed to be formed in areas, which fall under the jurisdiction of the Branches having strength of less than 1500 members. This comes into effect prospectively from 1<sup>st</sup> September 2006 and shall not affect the existing Study Circles.
- 4.2 The number of Study Circles allowed to be formed in a particular city/town where Regional Council Headquarters is situated should not exceed the number, which is arrived by dividing the total number of members in that particular city/town by 1000. This comes into effect prospectively from 1<sup>st</sup> September 2006.
- 4.3 The number of Study Circles allowed to be formed under the jurisdiction of a particular Branch having a membership strength exceeding 3000 members should not exceed the number, which is arrived by dividing the total number of members under the jurisdiction of that particular Branch by 1000. This comes into effect prospectively from 1<sup>st</sup> September 2006.
- 4.4 The number of Study Circles allowed to be formed under the jurisdiction of a particular Branch having a membership strength exceeding 1500 but upto 3000 members should not exceed the number, which is arrived by dividing the total number of members under the jurisdiction of that particular Branch by 500. This comes into effect prospectively from 1<sup>st</sup> September 2006.
- 4.5 Application for the formation of CPE Study Circles are to be made to the Regional Council following the rules given below:
- (i) In prescribed format as laid down in the Annexure 'A' to these Guidelines.
  - (ii) Applications are to be sent through the respective Branch of the Institute in the city/town where the CPE Study Circle is being formed in a geographical area covered under a Branch, and
  - (iii) Directly to the Regional Council where the CPE Study Circle is being formed in a geographical area covered under a city, where the Regional Council Offices of the Institute are situated.
  - (iv) However, branches of the Regional Councils may, while forwarding the application form, give a recommendation against the formation of the Study Circle. Such a negative recommendation will have to be given within 30 days from the date of the receipt of the application by the Branch, and
  - (v) The Regional Council, if it agrees with the negative recommendation of the Branch, or, in case of applications received directly by them under (iii) above, if it wishes to reject the application, may deny permission for the formation of a CPE Study Circle with recorded reasons for doing so. Such refusal of application will have to be recorded within 30 days of the receipt of the application at the Regional Council.

## **5.0 Rules for naming the CPE Study Circles**

Rules in this regard are as below:

- (i) The Study Circle so formed shall be called \_\_\_\_\_ (name of the locality/street/colony/building etc.) CPE Study Circle of \_\_\_\_\_ Branch of \_\_\_\_\_ India Regional Council (Concerned Regional Council) of the Institute of Chartered Accountants of India.
- (ii) The name of a CPE Study Circle should not be the same or similar to that of an existing CPE Study Circle. Name of a CPE Study Circle proposed should reflect its location only. Regional Council has the right to accept or to reject any name that has been proposed by the applicants of a CPE Study Circle.

## **6.0 Transition**

The Council is aware that a number of Study Circles have been formed in all the regions over the past few years. However, these Guidelines override any other rules or instructions with regard to formation and functioning of CPE Study Circles that have been issued till date. Existing Study Circles, which do not fulfill the requirements as laid down in these Guidelines except Para 4.1 (iii), 4.2, 4.3 and 4.4 of these Guidelines, are enjoined hereby to comply with the same by the 30<sup>th</sup> of June 2007. If any Study Circle fails to comply with these Guidelines by that date, then no CPE credit hours shall be given for the programmes organized by them after that date.

## **7.0 Registration of CPE Study Circles in the CPED Database**

- 7.1 Upon approval by the Regional Council, the concerned Regional Council shall forward one copy of the application to the CPE Directorate of the Institute at New Delhi for records and for registration on the CPE Portal.
- 7.2 Once the CPE Study Circle is registered on the CPE Portal, it may seek approval for its programmes through the CPE Portal in the manner prescribed.

## **8.0 Rules for Functioning of CPE Study Circles**

CPE Study Circles shall function as per the rules given below:

- 8.1 The CPE Study Circles shall not have their own rules and bye-laws and should not be registered under any other Act.
- 8.2 The CPE Study Circles shall not acquire any capital assets except one computer, one printer and related accessory of their own.
- 8.3 Study Circles shall work under the guidance, supervision and control of the Regional Council/Branch, as the case may be.
- 8.4 Study Circles are allowed to hold a maximum of 12 CPE hours of programmes during a month. Within this limitation, they may conduct their learning activities subject to a maximum of 6 CPE credit hours per day.
- 8.5 CPE Study Circles cannot issue CPE Certificates. CPE Certificates will be issued by the controlling Regional Council/Branch.

- 8.6 The controlling Regional Council/Branch will compile the attendance information in the Study Circle programmes from the CPE Portal and issue half-yearly CPE Certificates to the members of the Study Circles under their jurisdiction.
- 8.7 The date, topic, venue and faculty for CPE Study Circle programmes shall have to be routinely informed to the controlling Regional Council/Branch in advance. The controlling Regional Council/Branch may refuse to issue CPE Certificates if such information is not received.
- 8.8 The Study Circles will also have to inform the controlling Regional Council/Branch about the participation fees charged by them to participants who are not members of the Study Circles.
- 8.9 CPE Study Circles shall not conduct any CPE Learning activities coinciding with the programmes of their supervising Regional Council /Branch. However, the supervising Regional Council / Branch may permit interactive sessions by such CPE Study Circles coinciding with their programmes, if they feel it appropriate. In other words, CPE Study Circles have to get advance written concurrence from their supervising Regional Council /Branch for conducting CPE Learning activities which are coinciding with the CPE programmes of their supervising Regional Council / Branch.
- 8.10 CPE Study Circles shall not use the logo of the Institute on their letterhead or on any of their official stationery. Furthermore the official stationery of the CPE Study Circles should only contain the name of the Convenor/Dy. Convenor along with their postal address & other contact details like email id, phone nos.etc. for correspondence without mentioning their Firm Names. The names of the Past Convenors and other office bearers should not be mentioned on the official stationery of the CPE Study Circles.
- 8.11 **Administration**
- 8.11.1 CPE Study Circles shall be required to elect every year a Convenor and a Deputy Convenor to look after the day-to-day affairs/activities of the CPE Study Circles as well as, maintaining proper accounts of the CPE Study Circle. A person can serve as Convenor/ Dy. Convenor of a CPE Study Circle for a maximum of three terms of one year each.
- 8.11.2 One member can become the Convenor or Deputy Convenor of only one CPE Study Circle at a time.
- 8.11.3 The Convenors shall be responsible for conducting at least one programme per month for the members of the CPE Study Circles to discuss various matters of topical interest, at such predetermined place as may be convenient to members.
- 8.11.4 The convenors shall send copies of the notices convening the programmes and report of such CPE learning programmes including the membership number and names of the members who had attended such programmes to the concerned Regional Council/Branch within ten days of organizing such programmes. The Convenor is also required to upload the programme details before organizing any programme and thereafter uploading the attendance thereof on the CPE Portal within 10 days of organizing a programme.

## 8.12 Accounts

Matters regarding finance and accounts of CPE Study Circles are to be followed as below:

- 8.12.1 CPE Study Circles are authorized to open Bank Accounts in the names of the respective Study Circles and Convenors and Deputy Convenors are authorized to operate the accounts jointly.
- 8.12.2 Every CPE Study Circle shall submit an annual statement of receipts and payments, income and expenditure and Balance Sheet to the Regional Council. The annual statement is to be furnished within one month from the end of the fiscal year.
- 8.12.3 Convenors of CPE Study Circles are authorized to collect a reasonable amount per member as annual membership fee to defray the cost of holding learning activities and other incidental charges.
- 8.12.4 The cost of learning activities would include rent for the venue for organizing CPE programmes, refreshments/lunch/dinner for the participants, traveling cost of faculties, memento to the faculties, printing and postage for circulating the invitation for the programme to the members and printing of the background material only.
- 8.12.5 The responsibility for ensuring financial propriety in the financial management of the Study Circle, for production of proper audited accounts, whenever required by the supervising Branch / Regional Council shall be that of the Convenor and Deputy Convenor.
- 8.12.6 The CPE study Circles shall not be eligible for any grant or financial assistance from the Institute of Chartered Accountants of India.
- 8.12.7 It should be the endeavour of the convenors to conduct the CPE Programmes on cost competitive and self-financing basis. If a CPE Programme results in surplus, the convenors should conduct the other following programmes in such a way that the surplus earned in the previous programmes gets utilized.
- 8.12.8 Surplus funds of CPE Study Circles at the end of every financial year should be immediately committed for subsidizing future programmes to be conducted by CPE Study Circle. The surplus funds at the end of each financial year must be utilized within one year from the end of that financial year for the benefit of the members. A report and the plan by the CPE Study Circle should be submitted to the concerned Regional Council with a copy to CPE Directorate. Approval on the same be also obtained from the concerned Regional Council. In case the amount remains unspent, the same shall be transferred to the concerned Regional Council/ Branch account.

## 8.13 Joint Programmes

CPE Credits shall not be granted for programmes organized jointly by CPE Study Circles with any non-Programme Organising Unit. However, two or more Study Circles may jointly organize a programme or a Study Circle may organize a joint programme with other Programme Organising Units.

#### 8.14 **Monitoring of Programmes conducted by CPE Study Circles**

Controlling Regional Councils/Branches have the responsibility of monitoring the programmes conducted by CPE Study Circles under their jurisdiction. Such monitoring is to be done in terms of the Advisory issued by the CPEC in these regards.

#### 8.15 **Incidental and Related Matters**

8.15.1 There should be no restriction whatsoever placed by the Study Circles on any member of the Institute intending to become a member of a particular Study Circle.

8.15.2 Controlling Regional Councils/Branches have the responsibility of publicizing the programmes intended to be conducted by the Study Circles under their jurisdiction.

8.15.3 For the purpose of information to the general membership, the CPE Directorate will maintain a Billboard in the CPE Portal of the Institute where Study Circles may host such information, which they deem to be of general and professional interest. The CPE Directorate shall monitor the content of the billboard.

8.15.4 Enrolment to the programmes, organized by a particular Study Circle where CPE credit is desired should be open to the members of that Study Circles as well as other members of the Institute including those who are not members of that study circle. Reasonable fees for such enrolment may be charged for enrolling such non-Study Circle members for such a programme.

### 9 **Dissolution of CPE Study Circles**

Dissolution of CPE Study Circles shall be governed by the following rules:

9.1. The CPE Committee, based on the recommendation of the concerned Regional Council, has the powers to derecognise a CPE Study Circle on the following cases:

9.1.1 If the CPE Study Circle is not functioning in accordance with the norms and other decision(s) of the CPE Committee or the Central Council of the Institute.

9.1.2 If the CPE Study Circle is found to be working against the interest/policies of the Institute or its guidelines

### 10 **Residual Matters**

10.1 In the event of lack of clarity in any matter in the formation of Study Circles or their administration, application should be made to the CPEC, which is entrusted with the responsibility for providing such clarification.

10.2 The Chairman of the CPE Committee acting in consultation with the Director (CPE) of the Institute shall have absolute discretion to decide and intervene in matters concerning Programmes organized by a Study Circle, whether conducted by itself or jointly with any other body as permitted under these Guidelines, and also to

10.2.1 Prescribe such additional conditions in regard to the conduct, monitoring, content, faculty etc. for any such programme and to grant CPE credit hours to such program conditional upon compliance with any such conditions as may be prescribed, and

- 10.2.2 Refuse CPE Credit Hours to any such programme if in their view the grant of such CPE Credit hours is not in the overall interest of the Institute, its Programme Organizing Units, the members or for some other reason not in consonance with the policy or objectives of the CPE Committee as laid down from time to time.
- 10.3 The CPEC, through its administrative arm, the CPE Directorate is authorized by the Council of the Institute to intervene in any matter so as to either remove hardship or to ensure compliance with the above norms.

**Format of Application for seeking approval of the Regional Council for forming a Study Circle**

Date\_\_\_\_\_

The Chairman,

\_\_\_\_\_ India Regional Council of the Institute of Chartered Accountants of India,

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

Through: \_\_\_\_\_ Branch of \_\_\_\_\_ India Regional Council of the Institute of Chartered Accountants of India\*.

Dear Sir/Madam,

**Sub: Formation of Study Circle**

We, on behalf of the members of the Institute of Chartered Accountants of India from \_\_\_\_\_ (name of the locality) of \_\_\_\_\_ Regional Council /Branch of the Institute, whose details are given below, desire to form a Study Circle under the name.....

We have read the Norms framed in this respect by the Institute and we shall abide by the same.

Mr. .... and Mr. .... have expressed their consent to be the first convener and first deputy convener of the Study Circle .

We shall be pleased if the approval is granted at the earliest.

Thanking you,

Yours Faithfully,

\_\_\_\_\_  
\_\_\_\_\_

*SIGNATURES \*\* WITH NAME AND MEMBERSHIP NUMBERS*

Not less than fifty/one hundred members – as applicable - of the proposed Study Circle

\_\_\_\_\_

\* **Not applicable for Study Circles in places where a Regional Council Office is located.**

\*\* **Signatures with name and membership No. of the members to be verified by the concerned Branch/Regional Council**