



SOUTH AFRICAN INSTITUTE OF
PROFESSIONAL ACCOUNTANTS™

■ YOUR WEALTH

CODE OF CONDUCT

1. Introduction	2
2. Application	2
3. Ethos.....	2
4. Code of Ethics.....	3
5. Professional competence.....	3
5.6. Designations relating to tax services	4
6. Relationships with Clients	4
6.2. The engagement.....	5
6.3. Conflicts of Financial or Business Interests	5
8. Relevant legislative requirement.....	6
9. Professional Behaviour	6
9.1. Signing of reports & certificates	6
9.2. Tax related services	6
10. Agreements with other professional bodies	9
11. Fees & commissions	9
12. Client funds	10
13. Continuing Professional Development (CPD).....	11
14 Marketing	12
-Advertising.....	12
15. Resolution of ethical disputes.....	13
16. A Member Struck-off or Suspended	15
17. General.....	15
-Other professional persons	16
18. Independence	17

1. Introduction

- 1.1. The intention of the Code of Conduct is to raise the Members level of professionalism, the quality of service they render to the public, the credibility and the standing of the accountancy profession and to enhance the confidence of the public in the Professional Accountant (SA) by promoting the eradication of unethical business practices.
- 1.2. The Board of SAIPA has adopted the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (as amended from time to time) in its entirety, with the necessary permission of the International Federation of Accountants (IFAC). This code serves to compliment the IESBA and includes additional guidance to assist in the local application of requirements applicable to the Professional Accountant (SA).
- 1.3. All Members as defined in the Constitution shall be held accountable for failure to comply with any provision of the Code of Conduct, Constitution, By-Laws and/ any Member related policy as approved by the Board from time to time.
- 1.4. The Institute is committed to transparency and serving the best interests of the public, including business, government, labour, civil society statutory organisations, clients, vendors, partners, associates and staff to combat bribery, fraud and corruption in the South African economy. The Members of the Institutes have a professional obligation to report any non-compliance to laws and regulations or, should the need arise, to whistle blow any fraudulent or corrupt activities that they are aware of as per the IESBA Handbook.

2. Application

2.1 This code shall apply to the Institute's Members of all categories, as specified in the By-laws, from time to time.

3. Ethos

The fundamental principles to which Members of the Institute should subscribe to are contained in *the IESBA Handbook (as amended from time to time)*:

- 3.1. **"Integrity"** means that Members should be open and honest in respect to their mandate, and truthful in the performance of their services.
- 3.2. **"Objectivity"** means that Members should be impartial and not allow prejudice or bias, conflict of interest, or the influence of others to override their objective judgment.
- 3.3. **"Professional competence and due care"** require that professional knowledge and skill is maintained at the level required to ensure that a client receives competent, professional services based on current developments in practice, legislation, and techniques and that Members act diligently and in accordance with applicable technical and professional standards.

- 3.4. "Confidentiality"** means that Members should respect the confidentiality of information acquired during the course of performing professional services and should not use or disclose any such information without proper and specific authority unless there is a legal or professional right or duty to disclose such information. The duty of confidentiality continues beyond the end of the relationship between the Member and the client or employer.
- 3.5. "Professional behavior"** means that Members should act in a manner consistent with the good reputation of the Institute and the accounting profession, refraining from any conduct that might bring the Institute and/or the accounting profession into disrepute. Members should conduct themselves professionally with due consideration towards clients, third parties, other Members of the accountancy profession, staff, employers, and the general public.
- 3.6. "Independence"** means the avoidance of any conflict of interest or perceived conflict of interest, and the actions of which, when viewed by a reasonable third party, can be seen in the best interest of all parties. This includes Members remaining objective whilst still adhering to the fundamental principles.
- 3.7.** The Institute's Members are required to document any matter relating to a breach of the fundamental principles and Non-Compliance to Laws and Regulations (NOCLAR) where a threat to the fundamental principle cannot be reduced to an acceptable level, members are required to consider terminating the mandate.

4. Code of Ethics

- 4.1. A Member of the Institute shall:**
- 4.1.1. Endeavor to uphold their commitments to the Institute, clients, employers and the best interests of the public;
 - 4.1.2. Ensure integrity in fulfilling their mandate as a Member of the Institute;
 - 4.1.3. Perform duties as a Professional Accountant (SA) and/or recognised Member of the Institute in an efficient, competent and professional manner;
 - 4.1.4. Respect all stakeholders and maintain relationships that are based on trust and good faith;
 - 4.1.5. Promote and uphold the Institute values of Professionalism, Integrity, and Excellence;
 - 4.1.6. Strive towards maintaining the highest professional ethical conduct.

5. Professional competence

- 5.1. A Member should not portray themselves as having expertise or experience that they do not possess.
- 5.2. Members should ensure that their professional competence is maintained. This is obtained through the fulfilment of the compulsory Continuing Professional Development (CPD) hours. Members are required to remain continuously aware of developments in the accountancy profession, and to ensure that they have the requisite knowledge related to such developments, including an awareness of relevant national and

international pronouncements, and other relevant statutory requirements and regulations that will enable them to provide a competent service to their clients.

- 5.3. Reference to relevant Accredited or certified courses shall be applicable to the Professional Accountants (SA) who have the requisite certification and maintained knowledge of the same and have undergone the Institute's requirements and/or formal training.
- 5.4. A Member shall not undertake or continue with any engagement which they are not competent to perform. Where required, Members should obtain advice and assistance to enable them to carry out the engagement satisfactorily. Where the Member has no competency to perform the work, they shall not take on the engagement.
- 5.5. Where a Member continues to neglect their CPD, even after intervention by the SAIPA Secretariat, they may be brought before the Professional Conduct Committee and may subsequently be struck-off the Member register.

5.6. Designations relating to tax services

- 5.6.1. Members must take reasonable care in ascertaining a client's state of affairs, to the extent that ascertaining the state of those affairs is relevant to a statement being made on behalf of the client. The standard of 'reasonable care' generally required of a Member is that of a competent and reasonable Professional Accountant (SA) having all the facts before them, possessing the necessary skills, qualifications, and experience as a Member of the Institute.
- 5.6.2. If, however, a Member specialises in any particular area, the standard of 'reasonable care' required is that of a competent and reasonable person professing to have the skills relevant to the area of specialisation.

6. Relationships with Clients

6.1 Duty of Care

- 6.1.1. All Members must adhere to the ethos of the Institute, especially in instances where they have represented themselves as Members of the Institute.
- 6.1.2. It is obligatory for any Member who has had their Membership suspended or terminated by the Institute to inform all existing clients of the change to their professional and/or Member status.
- 6.1.3. All Members shall disclose all facts in the financial reports and shall not engage in conduct involving dishonesty, fraud, deceit, or misrepresentation, or knowingly make a false or misleading statement to clients or any other parties.
- 6.1.4. It is obligatory for all Members to disclose the services that can be rendered and disclose any limitations or constraints placed on them.
- 6.1.5. Should a Member be asked to take over another Member's engagement, consideration must be given to any professional reason tabled, and as to whether the engagement should be accepted. Members of the Institute shall provide communication in writing confirming this request.

6.2. The engagement

- 6.2.1. A Member shall provide a letter of engagement in writing before the initiation of any work for their client. Any amendments to the engagement must be recorded in writing. Where a Member fails to reduce their mandate to writing, they could face a fine. Reoccurrence will result in a practice review and disciplinary action
- 6.2.2. The engagement letter shall be used as a mutual agreement on the services to be provided by the Member.
- 6.2.3. The engagement letter must reflect a clear indication of the Member's responsibilities. Relevant clauses must be used in respect of specific engagements as per the relevant accounting standard. The following shall be noted as part of the agreement:
 - 6.2.4. The date, duration, and termination of the agreement; the parties to the agreement; the services to be rendered and fees; conditions of termination to the agreement; how and on what terms each party is able to terminate the agreement; and the services to be provided as part of the agreement.
- 6.2.5. In the case of compilation engagements, Members must ensure that they have separate letters of engagement per instruction.

6.3. Conflicts of Financial or Business Interests

- 6.3.1. A Member must disclose any financial or business conflict of interest. Where required, consent must be sought to continue with the engagement. Where consent is provided verbally, the Member must reduce the consent to writing and keep evidence thereof.
- 6.3.2. A Member may not accept any reward, benefit, or gift from any person or body that:
 - 6.3.2.1. creates a direct conflict of financial or business interest for such Member or any immediate family of that Member or any business partner of that Member;
 - 6.3.2.2. Is intended or is an attempt to corruptly influence that Member in the exercise of their duties or responsibilities as a Member of the Institute.
 - 6.3.2.3. Members are cautioned to avoid engaging in any private financial or business activity, which may lead to using privileged information or knowledge acquired in their dealings with the client of which the information is not available in the public domain.
 - 6.3.2.4. When addressing a conflict of interest, a Professional Accountant (SA) is encouraged to seek guidance from within the employing organisation, via the Institute's regional forums, from the Institute or legal counsel without compromising the confidentiality of their client.
- 6.3.3. Rendering two or more types of professional services concurrently does not in itself impair integrity, objectivity, or independence. Simultaneous engagements in other businesses, occupations, or activities unrelated to the professional services provided by the Member, and which have the effect of not allowing the Member to properly conduct their engagement in accordance with the fundamental principles of the accountancy profession, should be regarded as being inconsistent with the accountancy profession.
- 6.3.4. When Members undertake an advisory and/or a reporting assignment, they should act and be seen to act in a manner that is free of any interest or conflict of interest.
- 6.3.5. A Member who has reason to believe that their own or their employee's involvement in an assignment could possibly cause a conflict of interest should immediately disclose this possibility to their client or the

relevant entity. Where it is clear that a material conflict of interest exists, the employee should be removed, and another employee should be appointed to assist the client in the assignment.

- 6.3.6. A Member should not concurrently engage in any business, occupation, or activity that impairs or may impair their integrity, objectivity, independence, or the good reputation of the Institute or the profession, and that would therefore be incompatible with the requirements for the rendering of acceptable professional services.
- 6.3.7. Cognisance must be given to the identified threats as contained in the IESBA and a Member must endeavour to reduce the threat to an acceptable level. If the threat cannot be reduced, the Members must reconsider their appointment as Professional Accountants (SA) to that client.

8. Relevant legislative requirement

- 8.1. A Professional Accountants (SA) may perform Accounting services in accordance with the relevant legislative requirements.
- 8.2. Professional Services rendered by accounting officers are listed in the SAIPA member guide which is obtainable from the SAIPA Technical Division or by emailing techadmin@saipa.co.za

9. Professional Behaviour

9.1. Signing of reports & certificates

- 9.1.1. Due to the importance of public reliance on the financial reports and certificates, only Members with the designation, Professional Accountant (SA) may sign-off on these documents.
- 9.1.2. A Professional Accountant (SA) may not delegate their authority to sign-off to any person.
- 9.1.3. It is in the public interest and mandatory that Members in public practice be independent when performing reviews.

9.2. Tax related services

- 9.2.1. **"Tax Practitioner"** means tax technician, tax practitioner, and tax specialist as defined in terms of section 12, Qualification of Membership, and Section 240 of the Tax Administration Act 28 of 2011.
- 9.2.2. **"Tax services"** means providing advice to another person with respect to the application of tax law, completing or assisting in completing a document to be submitted to SARS by another person in terms of the tax law.
- 9.2.3. **"Technical standards"** means that members should perform their services in accordance with the relevant technical and acceptable standards applicable at the time and with due regard to the legislative requirements that may apply. Members are duty-bound to perform their services with care and skill, taking note of the instructions of the client or employer insofar as these instructions are compatible with the requirement to act with integrity, objectivity, and independence at all times.

Members must exercise due diligence and care in accordance with applicable technical and professional standards in their interaction with SARS on behalf of their clients.

- 9.2.4. In the context of tax services requested, a Member shall advise a client on the application of tax law, including any possible penalties and other legal tax consequences, so as to allow the client or employer to make an informed decision of the course of action to be taken.
- 9.2.5. A Member rendering professional tax services is entitled to put forward the best position in favor of a client, provided the service is rendered with competence, does not in any way impair a Member's integrity and objectivity, and is in their opinion consistent with current legislation.
- 9.2.6. A Member should not hold out to a client the assurance that the tax return prepared on behalf of the client or the tax advice offered is beyond challenge. Instead, they should ensure that the client is aware of the limitations attached to tax advice and services and that the client, therefore, does not misinterpret an expression of opinion as an assertion of fact.
- 9.2.7. A Member who undertakes or assists in the preparation of tax returns should ensure that the client is aware that the responsibility for the content of the return rests primarily with the client. The Member should take the necessary steps to ensure that the tax return is properly prepared based on the information received from the client.
- 9.2.8. Tax advice or opinions of material consequence given to a client should be recorded and properly filed, in the form of either a letter or a memorandum.
- 9.2.9. A Member should not be associated with any tax return or communication in which there is reason to believe that such tax return or communication:
- 9.2.9.1. Contains a false or misleading statement.
- 9.2.9.2. Contains statements or information furnished recklessly or without any real knowledge, and the Member is unsure as to whether they are reasonably true or false; or
- 9.2.9.3. Omits or obscures information required to be submitted and that such omission or obscurity would mislead the revenue authorities.
- 9.2.10. For the purposes of this section of the Code, "associated" has the following meaning:
- 9.2.10.1. A Member or their business is "associated" with a return, or with a financial statement to be submitted with a return or with a submission on behalf of a client or employer when such return, financial statement, or submission was prepared by the Member. Such association is not negated by the fact that the return, financial statement, or submission may be typed or otherwise reproduced on plain paper (as distinct from the Member's or their business' own stationery) or that the name of the Member or their business is not appended to the return, financial statement or submission.
- 9.2.10.2. A Member may prepare tax returns involving the use of estimates, if such use is generally acceptable, or if it is impractical under the circumstances to obtain exact information. When estimates are used, they should be presented in such a manner so as to avoid the implication of greater accuracy than exists. The Member should be satisfied that estimated amounts are reasonable under the circumstances.
- 9.2.10.3. In preparing a tax return a Member ordinarily may rely on information furnished by the client, provided that such information appears reasonable. In addition, the Member should:
- 9.2.10.3.1. Whenever feasible, make use of the client's returns from prior years.
- 9.2.10.3.2. Make reasonable inquiries when the information presented appears to be incorrect or incomplete; and

- 9.2.10.3.3. Refer to the books and records of the business' operations.
- 9.2.11. When a Member becomes aware of a material error or omission in a tax return of a prior year (with which they may or may not have been associated), or of the failure to file a required tax return, the Member has a responsibility to promptly advise the client of the error or omission and recommend to the client that disclosure be made to the revenue authorities.
- 9.2.12. If the client does not correct the error or omission, the Member should:
- 9.2.12.1. Inform the client that it is not possible to act on their behalf in respect of that return or other related information submitted to the authorities; and
- 9.2.12.2. Consider whether continued association with the client or employer in any capacity is consistent with their responsibilities as a Member.
- 9.2.12.3. After consideration of section 360 of the IESBA (NOCLAR), the Member may be required to note a non-compliance with SARS.
- 9.2.12.4. If the Member concludes that a professional relationship with the client or employer can be continued, all reasonable steps should be taken to ensure that the error or omission is not repeated in subsequent tax returns.
- 9.2.13. If the Member concludes that a professional relationship with the client or employer cannot be continued or if the client's requests for the E profile the Member will have to release the clients' profile. Failure of the Member to release the said Client's profile within 5 working days after notification in writing, could result in the Members' receiving a fine from the Institute or and having their Tax Practitioner status suspended at SARS due to non-compliance.
- 9.2.14. Members must ensure that tax laws are applied correctly and lawfully to the circumstances of the particular client. Frank and effective communications with a client is recommended, having regard to the Member's agreed scope of work. A Member shall advise a client of both the Member's and the client's rights, obligations and options available under the tax law. A Member shall also advise the clients of their rights or options available under tax law with respect to the seeking of a private ruling and the lodging of objections and appeals against adverse positions adopted by the Revenue Authorities.
- 9.2.15. Members must not knowingly obstruct the proper administration of the tax law. A Member will breach the Code where the Member knowingly obstructs the SARS Commissioner or the Board, or officers properly acting on behalf of the Commissioner of the Board in performing their respective statutory duties and functions as required by the tax laws.
- 9.2.16. Members must ensure that they advise clients of their rights and obligations under the tax laws in the Republic of South Africa. They must also take reasonable care to ensure the correct interpretation and application of the tax laws to the circumstances in relation to which the clients seek advice. These circumstances may be actual or hypothetical circumstances provided by the clients.
- 9.2.17. Where the Member is uncertain about how a tax law applies to a particular set of circumstances, taking reasonable care will include seeking clarification from relevant authorities and source, e.g., legislation, case law, rulings and determinations issued by the Commissioner on the topic, information published by SARS, and any other relevant applicable source.

10. Agreements with other professional bodies

- 10.1 The Institute has reciprocal agreements with other Accounting bodies worldwide.
- 10.2 A Professional Accountant (SA) may apply for Membership with an affiliated institute and may be requested to adhere to specific educational requirements and the any other applicable professional body requirements including but not limited to disciplinary procedures.
- 10.3. The Institute reserves the right to discipline its Member should such a Member be found guilty of misconduct by another professional body.

11. Fees & commissions

Contingency fees

Charging contingent fees for completing tax returns **is not an appropriate manner of remuneration** for Tax practitioners. However, there are certain tax related services wherein contingent fees may be charged, in those circumstances a tax practitioner must ensure that contingency fees are charged in line with the principles set in in Contingency Fees Act No. 66, 2007.

- 11.1 Members who undertake professional services for a client assume the responsibility to perform such services in accordance with the fundamental principles. For services rendered, Members are entitled to remuneration in terms of the agreed fees as stipulated in their letter of engagement.
- 11.2 It is in the best interests of both the client and the Member that the range of services related to the fees are explained, as well as the basis on which fees are computed, together with any billing arrangements. This should be done in writing before the commencement of the engagement to avoid misunderstandings regarding fees.
- 11.3 When performing professional services for a client it may be required to charge a pre-arranged fee, in which event the Member should estimate a fee, taking into account the matters referred to above.
- 11.4 It is not ideal for a Member to charge a client a lower fee than they charged previously for similar services, provided that this fee has been calculated in accordance with the factors referred to in the above paragraphs. Care should be taken to ensure that the client is not misled as to the precise range of services that the quoted fee is intended to cover and as to the level of fees anticipated to be charged for subsequent work at present-date prices.
- 11.5 A Member who obtains or retains work by quoting fees that are significantly lower than those charged by another Member or those quoted by other tendering firms, should be aware that this practice may threaten their s perceived independence. Such a Member should take care that the appropriate quantity and quality of staff are allocated to an assignment both in terms of time and competence.
- 11.6 Members should take care, whatever rate they charge, that they comply with all professional standards and guidelines, in particular with quality control procedures.

- 11.7 A Member should, on request, furnish such details as are reasonable to enable a client to understand the basis upon which a fee account has been prepared. It follows that time records should, where appropriate, be kept as a basis for determining fees, and that the rate used to calculate the fees should in the circumstances be fair and reasonable.
- 11.8 The above-mentioned paragraphs relate to fees which is inclusive of reimbursement of expenses. Out-of-pocket expenses, in particular travelling expenses, attributable directly to the services performed for a particular client, can be charged to the client in addition to the fees for services rendered. If travel is required there must be an understanding between the Client and the Member in terms of the letter of engagement.
- 11.9 Where fees are set by legislation a Member will be required to conform to the law:
- 11.9.1 The payment or receipt of commission by a Member could impair objectivity and independence. A Member should therefore not pay commission to obtain a client nor should commission be accepted for referral of a client to a third party.
- 11.9.2 A Member should not accept, directly or indirectly, commission, brokerage fee or other remuneration for the referral of the products or services of others as an incident to their service to any client, except with the knowledge and written consent of the client.

Tax Related Fees:

- 11.10 Tax Practitioners must not undertake the following Practices:
- 11.10.1 Failure to release a Taxpayer's e-profile
- 11.10.2 The levying of a contingency fee as a form of remuneration for tax related work

12. Client funds

- 12.1. A Member rendering services to the public shall not hold client funds unless they have a required Financial Sector Conduct Authority (FSCA) and Prudential Authority (PA) certificate.
- 12.2. If the Member is in possession of valid FSCA certificate, due care and diligence should be exercised in adhering to all FSCA requirements when administering clients' funds.
- 12.3. A Member should not accept any funds if there is reason to believe that these funds were obtained from illegal activities or are to be used for such activities.
- 12.4. Clients' funds received by a Member should be deposited without delay to the credit of the client.
- 12.5. If such funds are in the form of documents of title to money and documents of title that can be converted to money, the Member must ensure the necessary safeguards against unauthorised use.
- 12.6. Funds may only be drawn from the client's account on the written instruction of the client, after the member has provided a reasonable explanation for such withdrawal.
- 12.7. When it is likely that a client's funds will remain in the client's account for a significant period of time, the Member should, on the written instruction of the client, and within a reasonable period of time, **place such funds in an interest-bearing account.**
- 12.8. All interest earned on client's monies should be credited to the client's account.

- 12.9. Members rendering a professional service to the public shall keep such books of account as will at any time enable them to clearly establish their dealings with clients' monies in general and with the monies of each individual client in particular.
- 12.10. A statement of account should be provided to the client at least once a year.

13. Continuing Professional Development (CPD)

- 13.1 Members must maintain their professional knowledge and skill at the level required to ensure that clients or employers receive competent professional services. Members must remain continuously aware of developments in the profession, and to ensure that they have the requisite knowledge related to such developments, including an awareness of relevant national and international pronouncements and other relevant statutory requirements and regulations.
- 13.2 A Member shall comply with the Continuing Professional Development (CPD) requirements of the Institute, as determined by the Institute in accordance with its requirements, where such requirements are deemed necessary. This is a material requirement of this Code of Conduct notwithstanding any other provisions contained in the Institute's Constitution, By-laws or the Code of Conduct, non-compliance may result in the immediate and automatic suspension of a Member and/or the withdrawal of the privileges that such a Member enjoys.
- 13.3 Members are personally responsible for uploading their hours on their Membership profile on the Institute's systems on a regular basis and keep a record of their CPD hours for a period of five (5) years. CPD non-compliance is a serious offence and Members found not to be compliant with their CPD requirements will be liable for a fine and have their SARS Tax Practitioner status revoked and may be struck off the Institute's roll of Members.
- 13.4 Members falsifying information regarding their continuing professional development status shall be in contravention of the Code and will be handed over to the Investigation Committee for an investigation.

Compilations	Review	Agreed Upon Procedures
Do I have the Technical and, Practical experience in doing the compilations?	Do I have the Technical and Practical experience in doing the compilations?	Do I have the Technical and Practical experience in doing the compilations?
Do I have the industry knowledge?	Do I have the industry knowledge?	Do I have the industry knowledge?
Reporting standards are clearly understood?	Reporting standards and assurance standards	Investigation
Reliability of the Accounting records?	Am I able to identify the Misstatement of the Financial statements?	Risk Management
Do I have the resources to complete the mandate?	Do I have the resources to complete the mandate?	Do I have the resources to complete the mandate?

13.5. Members are required to refer to the CPD policy for further information on compliance with this section.

13.6 The general test to identify competency is as illustrated in the table below. All the boxes must be confirmed before taking on the mandate.

14 Marketing

Advertising

- 14.1. All Members shall adhere to the Code of Advertising Practice of the Advertising Standards Authority (ASA). In particular, such material should be aimed at informing the public in an objective manner, should be in good taste in terms of both content and presentation, and should not impair or adversely reflect on the dignity of the Institute or the profession.
- 14.2. Members registered as Members of the Institute may only advertise services normally associated with Membership of the Institute. Members who advertise and are not registered, will be in contravention of the By-Laws and Code of Conduct, and therefore be subject to disciplinary action and legal action in order to protect the SAIPA brand.
- 14.3. Members must at all times during advertising be cognisant of the Institute's reputation, goodwill and image.
- 14.4. Although it is permissible for advertisements to refer to the basis on which fees for services are calculated, Members should bear in mind that stating hourly rates and/or other costs could be misleading.

- 14.5. Aggressive soliciting by means of personal canvassing, including but not limited to, cold calling, spamming, telephone calls, e-mails, the distribution of flyers and brochures at government, municipal or administrative offices and touting for work at government departments is not an acceptable form of advertising.
- 14.6. Members are advised to refer to the Marketing guidelines and adhere to the do's and don'ts of marketing.
- 14.7. Members may not make disparaging remarks regarding the services offered by another professional accountant.
- 14.8. Members should not hold themselves out to provide services they are not competent to perform.

Stationery & letterheads

- 14.9. Stationery used by full and associate Members should be of an acceptable professional standard and maintain a level of consistency and conformity.
- 14.10. The use of the Institute's logo (including the designation and graphic symbol) is encouraged and permitted for use by Members of the Institute. The logo may be used in conjunction with a Members business' logo, provided that the impression does not imply that the Institute's logo is the Member's logo, or that the Member's business' logo does not purport to be a modified or adapted version of the Institute's logo or parts thereof. Where Members are in doubt a ruling should be sought from the Institute.
- 14.11. The Institute's logo may not be modified, adapted, supplemented to or detracted from in any manner whatsoever. Representation of the Institute's logo shall be in the colours of the Institute, or in black and white or in grey-scale contrast, or in such colours as the Institute may from time to time determine.
- 14.12. Apart from the name of the Member's business, the logo (if any) and the customary details regarding the address, and contact information, a Member's professional stationery shall also clearly indicate the nature of the entity through which he offers his services, whether it is a sole proprietorship, trust, partnership, close corporation or company etc. The responsible Members' letterhead should reflect the information of the entity *inter alia* entity registration number, Institute's Membership number and designation, and contact details.
- 14.13. The Institute's designation, as agreed by the Board from time to time, should appear next to the names of each certified member. Where a full member is associated with a non-member or an associate member, the impression may not be created that the non-member or associate member holds the designation Professional Accountant (SA) or any other SAIPA designation, where same has not been conferred on the non-member.
- 14.14. Members should identify themselves in accordance with their acquired designation/s as per the SAIPA issued certificate/s.

15. Resolution of ethical disputes

- 15.1. In applying standards of ethical conduct, Members may encounter problems in identifying unethical behaviour or in resolving ethical conflict. When faced with significant ethical issues, Members should therefore follow the established policies of the organisation when seeking to resolve such conflict. If those policies do not resolve the ethical conflict, the following should be considered:
- 15.2. Review the conflict with the immediate superior. Where the conflict cannot be resolved with the immediate superior, and the Member thus decides to refer the conflict to the next higher managerial level, the immediate superior should be notified of this decision.

- 15.3. Should it appear that the superior is involved in the conflict, the Member should raise the issue with the next higher level of management. If the immediate superior is the Chief Executive (or equivalent), the next higher level of review may be the Executive Committee, Board of Directors, Non-executive Directors, Trustees, Partners' Management Committee or Shareholders.
- 15.4. Should the ethical conflict still exist after fully exhausting all levels of internal review, the Member, as a last resort, may, in respect of significant matters, e.g., fraud, have no other recourse than to resign and submit information to an appropriate representative of that organisation and or any other body that is authorised to be made aware of the ethical conflict.
- 15.5. Where relationships or interests, whether direct or indirect, could adversely influence, impair, or threaten a Member's capacity to act with integrity and objectivity, such relationships and interests should be avoided, even if this requires the sacrifice of personal advantage.
- 15.6. Without breaching confidentiality, members of the Institute are encouraged to seek advice at the Institute's regional forums or Institute's head office directly.
- 15.7. If the Member of the Institute is unable to reduce the threat to the affected fundamental principle, they should seek the advice of an independent expert, or obtain legal advice from an attorney.
- Below are some examples or types of conduct that have resulted in a finding of misconduct. This list is intended as illustrative examples and is not exhaustive. Some of the below examples can be evidenced by a criminal conviction. Misrepresentation of SAIPA or other qualifications.
 - Members shall not be associated with any information which the member knows, or ought to know, to be false or misleading, whether by statement or omission.
 - Acts of violence or other anti-social behaviour.
 - Misappropriation of funds and false accounting.
 - Providing false mortgage references.
 - Knowingly causing a company to trade whilst insolvent.
 - Insider dealing (illegal practice of trading on the stock exchange to one's own advantage through having access to confidential information)
 - Professional negligence.
 - Failure to produce accurate accounts/tax/VAT returns.
 - Failure to submit accounts/tax/VAT returns to SARS or any other authorised stakeholder on time or at all.
 - Acting as an auditor when not qualified to do so.
 - Failure to reply appropriately, in a timely manner or at all, to correspondence from SAIPA, a client or a superseding accountant.
 - Failure to respond to requests from the appropriate authorities on time or at all.
 - Failure to provide adequate advice.
 - Financial mismanagement.
 - Acting in conflict of interest.

- Breach of duty of confidentiality (Except in proven NOCLAR situations).
- Defamation (where this has been decided by a court).
- Failure to comply with a court order
- Conviction in the court of law
- Failure to observe professional standards, including ethical requirements as per the IESBA Code (2018)
- Gross negligence
- Other acts or omissions that can bring the profession and the Professional Accounting Organisation (PAO) into disrepute
- Breach of PAO membership requirements
- Persistent less-serious offences
- Being disciplined by another professional, statutory or regulatory body

16. A Member Struck-off or Suspended

- 16.1. A Member that has been suspended or expelled is one that has been granted notices in resolving non-compliance issues with the Institute and has failed to observe the notices or has not taken any action in resolving the non-compliance issue.
- 16.2. Upon confirmation of suspension or expulsion Members should cease services and resolve the dispute with immediate effect with the institute and thereafter when the dispute has been resolved the Member with the permission of the Institute resume services.
- 16.3. Struck-off or suspended members are not entitled to refer to themselves as members of the Institute, nor to use the designation in any of their communications or other documents, or create the impression in any manner, that they hold a designation. Such misconduct may be subject to disciplinary action and sanctions or and other Legal measures.

17. General

- 17.1. Members should ideally implement a quality control system in the performance of their services, consistent with the International Standards for Quality Management (ISQM) pronouncements and quality Control.
- 17.2. All practicing members must ensure that they are in good standing with the Institute in order to be appropriately covered for the Professional Indemnity Insurance to the value as required by the Institute from time to time.
- 17.3. Members can only perform work for which they are qualified and competent to do and for which legislation allows them to do so. For more guidance on the applicable legislation consult the SAIPA Technical Guide.
- 17.4. An opinion given without full and proper supporting facts could cause difficulty for the Professional Advisor if this opinion were to be challenged or the receiving accountant is subsequently appointed by the company.

Reliance on third parties: reasonable professional judgement must be exercised (Auditing standards).

- 17.5. The receiving accountant has the duty to take reasonable steps to support the relationship between the existing accountant and the client and should not express any criticism of the professional services rendered by the existing accountant, unless affording the latter an opportunity to provide all relevant information.
- 17.6. Before accepting any appointment, the receiving accountant should insist on the copy of the cancellation letter stipulating all work which had been cancelled with the previous accountant and should also clearly note in his engagement letter with the client, the work for which he will be responsible for on behalf of the client. There is a professional obligation on the Professional Accountant (SA) to communicate with the existing accountant, if required, in order to keep good relations between the professional accountants.
- 17.7. When the opinion of a Member, other than the existing accountant, is sought on the application of accounting, auditing, reporting or other standards or principles relating to specific circumstances or transactions, the Member must be cognisant of only providing such opinion, if the member is competent with the technical knowledge and expertise to provide such opinion. The Member should seek to minimise the risk of giving inappropriate guidance by ensuring that they have access to all relevant information.
- 17.8. A Member who is requested to replace another accountant should ascertain whether there are any **professional reasons**, from the existing accountant, as to why the appointment should not be accepted.
- 17.18. The existing accountant, on receipt of the communication referred to in 17.13, should:
- 17.18.1. Reply without delay, in writing.
- 17.18.2. Should the receiving accountant not receive a reply within a reasonable time (*approximately three working days*), the receiving accountant should send a letter to the existing accountant stating that there is an assumption that no professional reason exists why the appointment should not be accepted, and they are therefore continuing with the appointment.
- 17.18.3. Where a courtesy letter has not been received by the superseding accountant an independent due diligence and feasibility study must be conducted by the receiving accountant to satisfy themselves that the client or the client's business is not astute.
- 17.18.4. The existing accountant should promptly transfer to the new accountant all the books and papers of the client which they hold or may hold after the change in appointment has been effected, and should, unless the existing accountant has a legal right to withhold such books and papers, advise the client accordingly. In this instance, the non-payment of fees shall be a valid reason for withholding the accountant's working papers ONLY. (*Members will be exercising their lien in this instance*). i.e., The Professional Accountant (SA) **may not under any circumstances** withhold the access codes to the clients' SARS eFiling profile/s. Fines will be issued to Members who fail to release clients SARS E-profiles.

Other professional persons

- 17.19. Members should support fellow Members where necessary in order to uplift the Institute's reputation and to avoid the rise of any misconduct.
- 17.20. Members who become aware of fraudulent activities, unethical practices, misconduct, non-compliance with legislation, etc. committed fellow Members must report such behaviour to the respective authorities or the Institute.

- 17.21. All Members are expected to comply with the legal requirements of the country. When subpoenaed to testify, Members must continue to remain professional, independent, transparent and cooperative at all times.
- 17.22. Members must refrain from poaching or touting clients from fellow Professional Accountants (SA). This constitutes a disciplinary action.

18. Independence

- 18.1. When Members undertake an advisory and/or a reporting assignment, they should act and be seen to act in a manner that is free of any interest or conflict of interest and which may be regarded, whatever its actual effect, as incompatible with their commitment to integrity, objectivity and independence.
- 18.2. A Member who has reason to believe that their own or their employee's involvement in an assignment could possibly cause a conflict of interest should immediately disclose this possibility to their client or the relevant entity. Where a material conflict of interest exists, a member should decline the assignment.
- 18.3. A Member should not concurrently engage in any business, occupation or activity that impairs or may impair their integrity, objectivity, independence or the good reputation of the Institute or the profession, and that would therefore be incompatible with the requirements for the rendering of acceptable professional services.

Relationships with Clients - The engagement Letter

- 18.4. A Member shall provide a letter of engagement in writing before the initiation of any work for their client. Any amendments to the engagement must be recorded in writing. Where a Member fails to reduce their mandate to writing, they could be liable to pay a penalty for the omission. Reoccurrence will result in a practice review payable by the client.
- 18.5. The engagement letter shall be used as a mutual agreement on the services to be provided by the Member.
- 18.6. The engagement letter must reflect a clear indication of the Member's responsibilities. Relevant clauses must be used in respect of specific engagements as per the relevant accounting standard.
- 18.7. The following shall be noted as part of the agreement:
- 18.7.1. The date, duration and termination of the agreement; the parties to the agreement; the services to be rendered and fees; conditions of termination to the agreement; how and on what terms each party is able to terminate the agreement; and the services to be provided as part of the agreement.
- 18.7.2. In the case of a compilation engagement, Members must ensure that they have separate letters of engagement per instruction.
- 18.8. All Members shall disclose all facts in the financial reports and shall not engage in conduct involving dishonesty, fraud, deceit, or misrepresentation, or knowingly make a false or misleading statement to clients or any other parties.
- 18.9. It is obligatory for all Members to disclose the services that can be rendered and disclose any limitations or constraints placed on them.
- 18.10. Should a Member be asked to take over another Members' engagement, consideration must be given to any reason, professionally or otherwise, as to whether the engagement should be accepted. Members of the Institute shall provide communication in writing confirming the above.

[IESBA Ethics Standards \(Full Code\)](#) | [IESBA e-code](#)



SAIPATM
■ YOUR WEALTH