

ICAP silent about Rs25m penalty by CCP

Accountancy body was penalised by CCP for restricting training of non-ICAP students

by KAZIM ALAM
 KARACHI

Irish playwright George Bernard Shaw considered silence to be the most perfect expression of scorn. Apparently, top officials of the Institute of Chartered Accountants of Pakistan (ICAP) agree with Shaw, as they continue to keep mum about the January 10 order of the Competition Commission of Pakistan (CCP), which imposed a penalty of Rs25 million on the premier body of chartered accountants for restricting the training of non-ICAP accountancy students by its approved training organisations.

ICAP has not paid the penalty even after one and a half months of the CCP order. Neither has it approached a competent forum to appeal against the order so far. Despite repeated attempts made over the last month, no ICAP official showed willingness to come on the record

FINE

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is the penalty ICAP will be liable to pay everyday after the expiry of the 60-day deadline

about the institute's future course of action to deal with the heavy fine imposed by the anti-trust watchdog.

"I cannot tell you right now whether we are going to pay the penalty or file an appeal against the order," ICAP Secretary Shoaib Ahmed said while speaking to *The Express Tribune* last month. He was not available for comment this time.

However, in background conversations with *The Express Tribune* since the CCP order was passed, officials as well as members of ICAP have claimed that paying the penalty is "out

of the question" because the institute's management still believes it is its right to protect the interests of ICAP students.

"Our students aren't getting training opportunities that they deserve. Although it's been going on since 1994, it's gotten much worse in recent years," one ICAP official said but requested anonymity because he did not want to be seen talking about the issue publicly.

He was referring to ICAP's rival accountancy body, the UK-based Association of Chartered Certified Accountants, which came to Pakistan in 1994.

The CCP imposed the Rs25 million penalty on ICAP while declaring that a July 2012 directive of ICAP that asked its member organisations not to engage non-ICAP students as interns or trainees had no legal basis.

Under Section 42 of the Competition Act 2010, the appeal against an order of

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the CCP can be filed with the Competition Appellate Tribunal within 60 days of the communication of such order. The CCP does not pursue the recovery of penalty until expiry of the time available for filing of appeal. If ICAP continues to violate the CCP order, it will be liable to pay a penalty of Rs1 million everyday afterwards.

According to an official of the CCP, who also did not want to be named because of possible legal implications, the CCP may recover the amount from ICAP under Section 40 of the Competition Act, which includes the recovery of amount as arrears of land revenue or

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attachment of property.

In addition to the penalties prescribed under the Competition Act, the CCP can also initiate court proceedings against ICAP for failing to comply with its order, as it constitutes a 'criminal offence,' the source noted.

"Several accountancy students have approached the CCP to enquire about ICAP's compliance with the matter. On receipt of any actionable evidence that suggests non-compliance with the order, the CCP will proceed against ICAP in accordance with the law," the CCP official added.