



## Code of Professional Conduct

This Code of Professional Conduct sets out the fundamental principles and standards of behaviour that all members, graduates and students must follow. If a member, graduate or student fails to do so they are liable to be subject to disciplinary process.

- (1) A member, graduate or student must comply with the following fundamental principles:
- (a) **Integrity**  
To be straightforward and honest in all professional and business relationships.
  - (b) **Objectivity**  
To not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
  - (c) **Professional competence and due care**
    - i. To maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques, to comply with continuing professional development requirements from time to time prescribed by the Institute and act diligently and in accordance with applicable technical and professional standards.
    - ii. Starting from 2022, members who are not Chartered Tax Advisers or Certified Tax Advisers (the post-nominal letters "CTA" signify both designations) are also required to fulfil the CPD requirement, i.e., to obtain a total of 10 CPD Hours, of which 3 hours are tax related during a year. A year is meant to be from 1 December of a calendar year to 30 November of the next calendar year.
  - (d) **Confidentiality**  
To respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the member or third parties.
  - (e) **Professional behaviour**  
To comply with relevant laws and regulations and avoid any action that discredits the profession.
- (2) A member who is a CTA, practising or non-practising, must comply with the following standards:
- (a) A CTA must comply with the taxation laws in the conduct of his/her personal affairs.
  - (b) If a CTA receives money or other property from or on behalf of a client, and hold the money or other property on trust; he/she must account to the client for the money or other property.
  - (c) A CTA must act lawfully in the best interest of his/her client.
  - (d) A CTA must have in place adequate arrangements for the management of conflicts of interest that may arise in relation to the activities that he/she undertakes in the capacity of a CTA.
  - (e) Unless a CTA has a legal duty to do so, he/she must not disclose any information relating to a client's affairs to a third party without the client's permission.
  - (f) A CTA must ensure that a tax advice or service that he/she provides, or that is provided on his/her behalf, is provided competently.
  - (g) A CTA must maintain knowledge and skills relevant to the tax advice or services that he/she provides.
  - (h) A CTA must take reasonable care in ascertaining a client's state of affairs, to the extent that ascertaining those affairs is relevant to a statement that the CTA is making or a thing that he/she is doing on behalf of a client.
  - (i) A CTA must take reasonable care to ensure that the taxation laws are applied correctly to the circumstances in relation to which he/she is providing advice to a client.
  - (j) A CTA must be courteous and considerate towards all with whom he/she comes into contact in the course of his/her professional work.
  - (k) Starting from 1 January 2020, all CTAs who are in public practice are required to be covered by Professional Indemnity Insurance (PII), unless they are exempt because their risks have already been covered by PII obtained in their other professional capacity such as accountant, solicitor or barrister etc. that also covers tax services. Employees should be covered by that of their firm. The minimum coverage of insurance should be one million Hong Kong dollars (HK\$1,000,000).