



Promoting Professionalism in Accountancy

INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA

GUIDELINES ON ACCEPTABLE ADVERTISING

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Table of Contents

1.0 INTRODUCTION	4
2.0 DEFINITIONS	4
3.0 THE PURPOSE OF MARKETING AND ADVERTISING	5
4.0 GENERAL GUIDELINES	5
5.0 SPECIFIC GUIDELINES	6
5.1 Communications Concerning a Practising Accountant's Services.....	6
5.2 Firm Names and Letterheads.....	7
5.3 Publicity	7
5.4 Advertising	8
5.5 Articles and letters in the press	8
5.6 Radio and television programmes	8
5.7 Authorship of books	8
5.8 Appointments.....	9
5.9 Appointments to trade and similar associations	9
5.10 Booklets	9
5.11 Names, descriptions and addresses on envelopes	9
5.12 Changes in partnership or address, commencement in practice etc.....	10
5.13 Advertisements for sub-contract work	10
5.14 Advertising for partnership or salaried employment.....	10
5.15 Advertising for staff/Clients staff.....	10
5.16 Advertising relating to property or business	10
5.17 Member as an election candidate	11
5.18 Entries in directories	11
5.19 Use of a member's name by a client.....	11
5.20 Solicitation.....	11
5.21 Endorsements	12
6.0 PROHIBITED ACTIVITIES BY MEMBERS	13
7.0 REMEDIES AVAILABLE TO MEMBERS WHEN PUBLICITY IS GIVEN WITHOUT THEIR CONSENT	13

ABOUT ICPAU

The Institute of Certified Public Accountants of Uganda (ICPAU) is established under the Accountants Act, 2013. The functions of the Institute, as prescribed by the Act, are to regulate and maintain the standard of accountancy in Uganda and to prescribe and regulate the conduct of accountants and professional accountants in Uganda. Under its legal mandate, the Institute prescribes professional standards to be applied in the preparation and auditing of financial reports in Uganda.

Vision

To be a world class professional accountancy institute.

Mission

To develop and promote the accountancy profession in Uganda and beyond.

Core Values

- 1) Professional Excellence.
- 2) Integrity.
- 3) Commitment.
- 4) Good Governance.
- 5) Social Responsiveness.

International Affiliations

The Institute is a member of the International Federation of Accountants (IFAC) and the Pan African Federation of Accountants (PAFA).

1.0 INTRODUCTION

The purpose of this document is to provide practitioners with guidance on advertising and promotion of services of their firms.

These guidelines have been developed to assist practising accountants to comply with the advertising requirements of ICPAU.

These guidelines cannot hope to encompass every situation and every type of advertising material being used or contemplated by practising accountants. It does, however, convey many of the principles that the Institute will consider in determining whether an advertisement complies with ICPAU's requirements.

Should a complaint about advertising be referred to the Disciplinary Committee, the Committee might also take these principles into consideration.

It should be noted that whereas advertising is restricted, marketing by practising accountants is acceptable.

These guidelines apply to all advertising by or on behalf of all practising accountants.

2.0 DEFINITIONS

"Advertising" means any notice, announcement or representation directed at the public that is authorized, made by or on behalf of a practising accountant(s) and that is intended to promote a practising accountant(s) or the accounting firm (s), services of a practising accountant(s) in any medium including, but not limited to, print, radio, television, electronic media or publication on the internet (including websites and social media sites).

Business cards, letterhead or fax cover sheets that contain promotional statements may be considered as "advertising".

"Marketing" is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Publicity on the other hand can be a communication intended to solicit clients or professional work or a communication that does not solicit for professional work.

3.0 THE PURPOSE OF MARKETING AND ADVERTISING

It is generally known that while marketing is acceptable, advertising is limited by law, custom and the Code of Ethics. The guidelines are therefore primarily aimed at setting boundaries for marketing practices within the Accountancy profession. While it is not possible for the Institute to envisage all the possible situations in which a practicing accountant can promote him/herself or their capabilities, the guidelines are intended to act as a precinct of the general considerations that a member should have in mind when putting out a communication that is not a direct solicitation of professional work.

4.0 GENERAL GUIDELINES

4.1 A firm shall not seek to obtain clients by any communication or advertising (written, oral, or electronic), or other forms of solicitation:

- a. In a manner that is false, fraudulent, misleading, deceptive, unfair, tends to promote unsupported claims, or
- b. Which is accomplished or accompanied by the use of coercion, duress, compulsion, intimidation or vexatious or harassing conduct.

4.2 A false, fraudulent, misleading, deceptive, unfair, unsupported statement or claim includes (but is not limited to) those that:

- i. Create false or unjustified expectations of favorable results;
- ii. Contain a misrepresentation of fact;
- iii. Imply the ability to influence any court, tribunal, regulatory agency or similar body or official;
- iv. Consist of statements that are self-laudatory and that are not based on verifiable facts;
- v. Make incomplete comparisons with other firms;
- vi. Contain testimonials or endorsements;
- vii. Is likely to mislead or deceive because, in context, it makes only partial disclosure of relevant facts;
- viii. Include harassing content;
- ix. Relate to fees or a range of fees not fully disclosing all variables and other relevant facts; or
- x. Contain any other representations that would be likely to cause a reasonable and ordinary prudent person to misunderstand or be deceived.

4.3 A practicing accountant shall not on behalf of himself, his partner or associate, or any other individual affiliated with him or his firm, use or participate in the use of any form of public communication containing a false, fraudulent, misleading, deceptive or unfair statement or claim, or advertising which the Council considers not to be in the public interest.

4.4 Publicity not in the public interest shall include, but not be limited to, advertising or marketing that:

- a. is false, fraudulent, deceptive, or misleading;
- b. Guarantees any service based on discretionary decisions of regulatory authorities;
- c. Makes any claim relating to professional services or products or the cost or price thereof which cannot be substantiated by the firm, who shall have the burden of proof;
- d. Makes claims of professional superiority which cannot be substantiated by the firm, who shall have the burden of proof; or
- e. Offers inducements in any form for a professional service or product.

4.5 Giving information on a practicing firm within the guidelines specified herein above in a website is acceptable. A practicing firm offering to perform professional services via the internet must include the following information on the internet:

- a. The practicing business or firm name;
- b. Principal place of business;
- c. Business telephone, email and facsimile;
- d. Partners' registration numbers;
- e. Partners' practicing certificate numbers; and
- f. Accounting firm's license number.

5.0 SPECIFIC GUIDELINES

While the requirements in section 4.0 may not seem terribly challenging, the history of marketing is filled with half truths, hard sells, and plenty of embarrassing campaigns as such practicing accountants need to desist from such behavior.

In applying the general guidelines in section 4.0, a member shall consider the specific guidelines provided in this section.

5.1 Communications Concerning a Practising Accountant's Services

5.1.1 A Practising accountant shall not make a false or misleading communication about him/herself or his/her services. A communication is false or misleading if it contains a material misrepresentation of facts or law, or omits a fact necessary to make the statement considered as a whole not materially misleading.

5.1.2 This provision governs all communications about a practicing accountant's or accounting firm's services, including permitted advertising. Whatever means are used to make known a practicing accountant's services, statements about them should be truthful. Statements that compare a practicing accountant's services with other accountants' services and statements that create unjustified expectations about the results the

practicing accountant or accounting firm can achieve would violate these guidelines if they constitute "false or misleading" communications.

5.2 Firm Names and Letterheads

5.2.1 A practicing firm may be designated by the names of all or some of its partners, by the names of deceased or retired members where there has been a continuing succession in the firm's identity. For a firm that is part of a network of firms, may choose to use the name of the network of firms. Use of such names is acceptable so long as it is not misleading. Such a name may be used by a practicing accountant so long as it;

- a) Is consistent with the dignity of the profession;
- b) Is not misleading;
- c) Does not make any reference, actual or derived, to any symbolic, cultic, cultural, political, religious, sectarian, discriminatory or specialty classification;
- d) Is not offensive;
- e) Is not directly or indirectly associated with or suggests any connection with any government, parastatal or non-government organisation.

5.2.2 The ICPAU Audit Practice Guidelines provide certain restrictions on firm names and letterheads. Under these Guidelines, the use of generic/trade names is prohibited.

5.3 Publicity

The following types of publicity are acceptable:

5.3.1 Publicity on a member's professional and corporate social responsibility activities.

5.3.2 Publicity on appointment of members to positions of national or local importance, as well as to the boards of companies.

5.3.3 Articles and communications in the press by a member to educate the public on taxation, audit and general financial matters. A Certified Public Accountant (CPA) can be the source of a story about him/herself in the print or electronic media but should not be the reporter and the story should adhere to the guidelines specified herein above.

5.3.4 Sponsoring Institute's activities and publicizing the fact in the media.

5.3.5 Sponsoring charitable events/ organizations that engage in social welfare e.g. health organizations, sports clubs and availing of firm brochures during such events.

5.3.6 Displaying promotional material in the firm's office.

5.3.7 Paid announcements when opening a new office, changes in the membership of a firm and changes in the name or address of a firm.

5.3.8 A signpost giving directions to the firm's offices at the nearest junction to the firm's offices. However, the size of the sign post should be reasonable to the normal standards of professional good taste.

5.3.9 If in doubt of the appropriateness of the size of the signpost to be used, a member may seek the advice of the Secretary of the Institute.

5.4 Advertising

5.4.1 Members can seek professional work by means of non-comparative and non laudatory advertising. Members should not make exaggerated claims for services offered, qualifications possessed, or experience gained; or make disparaging references or unsubstantiated comparisons to the work of another. Any advertising materials should follow the guidance provided in this paper and any major deviation should be referred to the Institute for approval. Members are also responsible for ensuring that other persons do not engage in such activities deemed to be advertising on their behalf or for their advantage and to take immediate action to prevent the repetition of any such acts which may have been done without their knowledge

5.5 Articles and letters in the press

5.5.1 Members submitting articles, letters or other contributions of public interest to the press, may use their professional designation and/or designatory letters. In practice, they may also include the name of their firm (but not the logo), except that they should issue appropriate disclaimers regarding the views expressed in situations where such views can be contested. Excessive contributions to the non professional press may be deemed an improper form of publicity.

5.6 Radio and television programmes

5.6.1 Members participating in radio or television programmes may do so under their own name and may use their professional designation or designatory letters. In the case of relatively isolated appearances, reference to the member's firm may be allowed, but if the member is participating in a series, no such reference should be made.

5.7 Authorship of books

5.7.1 A member writing a book, monograph, pamphlet, etc, may quote therein his designation and/or designatory letters, together with such other personal particulars, as are usual, viz., education, hobbies and interests, other qualifications and previous publications.

5.8 Appointments

5.8.1 Publicity is desirable for the appointment of members to positions of national or local importance, as well as to the boards of companies, and there is no restriction on the provision of such information to the press, general or professional.

5.9 Appointments to trade and similar associations

5.9.1 A member appointed to an office with a trade or similar organisation must ensure that he/she does not take advantage of his/her position to acquire professional work. In particular, where the trade association offers for the benefit of members an advisory service on accountancy, taxation, etc, which is serviced by a member of the Institute, the latter should ensure that:-

- a. There is no reference to the member by name in literature issued by the organization;
- b. There is no direct contact between the member of the Institute and the individual member of the trade or other organisation requiring advice;
- c. Where, on very rare occasion, such direct contact is essential, the professional adviser retained by the member of the organisation is informed;
- d. Advice is given to the trade or other organisation and not to any individual member thereof.

5.10 Booklets

5.10.1 A member in practice may prepare a booklet specifying the services he provides and the name and address of his firm. Circulation of booklets should be restricted to clients and to those who have requested for them. Booklets should not be circulated to the general public or to any section thereof unless in an event organized by the member or the Institute where the booklets can be availed at one point to be picked by interested participants.

5.10.2 The contents should be, as far as possible, factual and objective. Technical literature produced for the information of clients and others may also be displayed in the waiting room. For a firm with a functioning website such literature would be uploaded onto the firm's website.

5.11 Names, descriptions and addresses on envelopes

5.11.1 The name, description and address of a member or his firm may appear on business envelopes, provided that the inscription conforms both in size and otherwise to the normal standards of professional good taste.

5.12 Changes in partnership or address, commencement in practice etc.

5.12.1 Changes such as the retirement or admission of a partner, change of address, merger with another firm and the like should normally be notified to clients and business associates by letter. Such information may also be published in the press as paid announcement provided that the member's name or firm name is not given undue prominence and that the content of the announcement is appropriate in size and presentation. Announcements of commencement in practice are permitted on the same conditions.

5.13 Advertisements for sub-contract work

5.13.1 Advertisements for sub-contract work may be inserted in the Institute's Journal or any other suitable media. A member may also make direct approach to another member of the profession informing him of the services he/she offers. This approach may be made by letter or circular provided that in the latter case the circular is in content and presentation in conformity with this guideline. Members seeking sub- contract work must hold a practicing certificate.

5.14 Advertising for partnership or salaried employment

5.14.1 A member is free to advertise for partnership or salaried employment either in the professional or non-professional press.

5.15 Advertising for staff/Clients staff

5.15.1 Particular care is necessary in preparing advertisements for staff which are to appear in the non-professional press, otherwise such notices can often be criticised as constituting a laudatory advertisement of the member or his/her firm and/or of the professional services he/she provides. The following guidelines should therefore be observed:-

- a. The name of the member or firm should not appear with undue prominence or frequency.
- b. The duties to be performed may be described in reasonable detail but should not be capable of being regarded as constituting an unfair advertisement of the services by the member or his firm.

5.16 Advertising relating to property or business

5.16.1 A member or firm who is acting for a client in the buying or selling of property or a business may advertise in this connection provided that his name, description and address is not given undue prominence. The same applies when a member advertises property, etc., in the course of professional work as a trustee, liquidator, receiver, etc.

5.17 Member as an election candidate

5.17.1 A member who is a candidate at a national or local election may quote his designation and/or designatory letters in any election literature. A member who is not in practice may give whatever details he/she likes regarding his/her employment as long as it is in conformity with this guideline.

5.18 Entries in directories

5.18.1 The name and addresses of practising members and/or of their firms may appear in directories, whether local or national, general or specialised. Such entries must not either by reference to size or presentation be capable of being construed as a direct advertisement and should not normally contain more than the member's name, address and professional description, together with telephone, telex or similar information.

5.19 Use of a member's name by a client

5.19.1 If a company or other client wishes to make use of the name and description of their auditor in any business document or literature other than their financial statements for which the auditor accepts responsibility, the member should make it clear that his approval must be obtained.

5.19.2 It is only rarely that such permission can be justified. In those cases, the member should ensure that his name is not given undue prominence in the document. In the same way, member's name and description, either as auditor or in some other professional capacity, should not be permitted to appear on a client's note paper.

5.19.3 Auditor's reports on headed notepaper in facsimile form should not be included in published accounts.

5.19.4 The above applies only where the member is acting in some professional capacity. It does not apply to a member who is appointed chairman, director, treasurer, secretary or other officer of a company or as an employee, in which case his name and designatory letters may appear in any document issued by the organization.

5.19.5 A member making for publication a report on, for example, net sales or newspaper circulation figures, should be careful to ensure that his report deals only with ascertained facts. If this report is quoted in any literature by the organisation or in the press, it should not be presented in such a way, either as to size or presentation, as to be capable of being regarded as an advertisement for the member and should not include his practising address. Such a report on headed notepaper should not be reproduced in a facsimile form.

5.20 Solicitation

5.20.1 This guidance applies to solicitation, the obtaining of business through letter, e-mail, telephone, in-person or other communications directed to particular prospective

clients. It does not apply to non-targeted advertising, the obtaining of business through communications circulated more generally and more indirectly than that, such as through web sites, newspapers or placards in mass transit vehicles. The guidance also allows practicing accountants to conduct some form of solicitation of employment from all prospective clients, except in a small number of very special circumstances, and hence permits prospective clients to receive information about accounting services that may be useful to them. At the same time it recognizes the possibility of undue influence, intimidation, and overreaching presented by personal solicitation in the circumstances prohibited by this guidance and seeks to limit them by regulating the form and manner of solicitation by rules that reach no further than the danger that is perceived.

5.20.2 A member should not in any circumstances obtain or seek professional work for him/herself or another member in any unprofessional manner. Former employees of practising accountants leaving to become independent practitioners should avoid the initiation of communication with clients of former employers telling them of their new activities. In particular members should observe the following:

- (a) A member, who is an employee, other than an employee of a Certified Public Accountant, should not, on behalf of his employer, carry on in his own name, any business which is normally carried on by a Certified Public Accountant.
- (b) A member, who is employed by another member or by a firm of Certified Public Accountants engaged in public practice, should not undertake professional work on his own account or in partnership with another member(s) without consent of his employer.
- (c) There may be cases in which members in practice are retained by organizations, which in their turn, offer advice to their members on accountancy matters. The member retained by the organisation may, in relation to matters referred to him by the organisation, deal only with the organisation itself and not directly with any of its members. The member should ensure that in any relevant literature issued by the organization neither his name nor the name of his firm is given undue publicity.

5.21 Endorsements

5.21.1 A member or firm may advertise or endorse any product or service of another person or entity that the member or firm uses or otherwise has an association with, provided the member or firm has sufficient knowledge or expertise to make an informed and considered assessment of the product or service. However, in doing so,

- (a) The member or firm must act with integrity and due care;
- (b) The member or firm must be satisfied that the endorsement;

- (i) Is not false or misleading or does not include a statement the contents of which the member or firm cannot substantiate;
 - (ii) Does not make unfavourable reflections on the competence or integrity of the profession or any member or firm, and
 - (iii) Does not otherwise bring disrepute on the profession, and
- (c) When associating the CPA designation with an endorsement, the member or firm must conduct sufficient appropriate procedures to support the assertions made about the product or service.

5.22 Names, logo and address on firm-owned vehicles

5.22.1 The name, logo and address of a firm may appear on a firm-owned vehicle, provided that the inscription conforms both in size and otherwise to the normal standards of professional good taste.

5.22.2 A member may seek the advice of the Secretary of the Institute if in doubt of the appropriateness of the size of the inscription to be used in the firm-owned vehicle.

6.0 PROHIBITED ACTIVITIES BY MEMBERS

6.1 Making exaggerated claims on services that one is able to offer, qualifications possessed or experience gained. This can be in quotations, firm's profiles or other communication to current and prospective clients who have requested for such information.

6.2 Making disparaging reference or unsubstantiated comparisons to the work of others.

6.3 Allowing clients to make use of the name and description of their auditor in business document or literature other than financial statements.

6.4 Using logos which have slogans or mottos which are not factual or objective in nature in the firm's materials, correspondence or literature.

6.5 Making false, misleading or sensational statements in the firm's materials, correspondence or literature.

7.0 REMEDIES AVAILABLE TO MEMBERS WHEN PUBLICITY IS GIVEN WITHOUT THEIR CONSENT

7.1 Where a member alleges that an advertisement in print or electronic media that is in contravention of this guideline was placed without their consent the following remedies will be required to be undertaken in mitigation of the offence as soon as the offence is realized:

- (i) The member/s will be ordered by the Institute to place an advertisement of similar size and/or prominence either denying or dissociating themselves from the assertions made in the initial advertisement.
- (ii) A member/s may in addition be required to obtain an apology from the media house with a copy of such apology being sent to the Institute.

7.2 The above remedies will serve as mitigation in determining whether or not the offence will be referred for disciplinary inquiry but shall not in themselves be sufficient to terminate the investigations in the circumstances surrounding the advertisement.