

China Code of Ethics  
for Certified Public Accountants  
中国注册会计师职业道德守则

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2011 Edition

The Chinese Institute of Certified Public Accountants



中国财政经济出版社

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**Notice of the Chinese Institute of Certified Public Accountants on Promulgating China Code of Ethics for Certified Public Accountants and China Code of Ethics for Non-Practising CICPA Members**

Kuai Xie [ 2009 ] No. 57

In order to regulate the professional behavior of the members of the Chinese Institute of Certified Public Accountants ( CICPA ), enhance their level of professional ethics in advance , and maintain their professional images , the CICPA has developed “ China Code of Ethics for Certified Public Accountants ” and “ China Code of Ethics for Non-Practising CICPA Members ” . “ China Code of Ethics for Certified Public Accountants ” is comprised of “ China Code of Ethics for Certified Public Accountants No. 1-Fundamental Principles of Professional Ethics ” , “ China Code of Ethics for Certified Public Accountants No. 2-Conceptual Framework ” , “ China Code of Ethics for Certified Public Accountants No. 3-Specific Requirements in Providing Professional Services ” , “ China Code of Ethics for Certified Public Accountants No. 4-Independence Requirements for Audit and Review Engagements ” and “ China Code of Ethics for Certified Public Accountants No. 5-Independence Requirements for Other Assurance Engagements ” .

“ China Code of Ethics for Certified Public Accountants ” and “ China Code of Ethics for Non-Practising CICPA Members ” have been approved to be promulgated by Chinese Ethics Standards Board for CPAs and will be

effective on July 1, 2010.

**Attachments :**

1. China Code of Ethics for Certified Public Accountants No. 1-Fundamental Principles of Professional Ethics
2. China Code of Ethics for Certified Public Accountants No. 2-Conceptual Framework
3. China Code of Ethics for Certified Public Accountants No. 3-Specific Requirements in Providing Professional Services
4. China Code of Ethics for Certified Public Accountants No. 4-Independence Requirements for Audit and Review Engagements
5. China Code of Ethics for Certified Public Accountants No. 5-Independence Requirements for Other Assurance Engagements
6. Definitions in China Code of Ethics for Certified Public Accountants
7. China Code of Ethics for Non-Practising CICPA Members
8. Definitions in China Code of Ethics for Non-Practising CICPA Members.

October 14, 2009

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**China Code of Ethics  
for Certified Public  
Accountants**



# **China Code of Ethics for Certified Public Accountants No. 1 ——Fundamental Principles of Professional Ethics**

## **Chapter 1 General Provisions**

**Article 1** This Code is formulated in accordance with the Law of the People's Republic of China on Certified Public Accountants and the Charter of the Chinese Institute of Certified Public Accountants to regularize Certified Public Accountants' professional behaviors, improve their professional ethics, and uphold their professional images.

**Article 2** The certified public accountants (CPAs) shall comply with this Code, fulfill corresponding social responsibilities, and act in the public interest.

**Article 3** A CPA shall comply with fundamental principles of integrity and objectivity, maintain independence when performing audit and review engagements, as well as other assurance engagements.

**Article 4** A CPA shall attain and maintain professional competence, act diligently with due care.

**Article 5** A CPA shall comply with the principle of confidentiality, maintain confidentiality of information acquired from professional activities.

**Article 6** A CPA shall maintain professional reputation and establish good professional images.

## **Chapter 2 Integrity**

**Article 7** A CPA shall be straightforward and honest in all professional activities.

**Article 8** A CPA shall not knowingly be associated with reports, returns or other information where the CPA believes that the information:

- (a) Contains a materially false or misleading statement;
- (b) Contains statements or information furnished recklessly; or
- (c) Omits or obscures information required to be included.

When a CPA becomes aware that the CPA has been associated with such information, the CPA shall take steps to be disassociated from that information.

**Article 9** In an assurance engagement, a CPA will be deemed not to be in breach of Article 8 of this Code if the CPA provides an appropriate modified report in respect of a matter contained in the first paragraph of Article 8.

## **Chapter 3 Independence**

**Article 10** When performing audit and review engagements, as well as other assurance engagements, a CPA shall keep independence, both of mind and in appearance, and avoid any relationship that influences objectivity.

**Article 11** When accepting an audit or review engagement, as well as an assurance engagement, accounting firms shall apply safeguards to

maintain independence of the firm and engagement teams. These safeguards comprise firm-wide safeguards and engagement-specific safeguards.

## **Chapter 4 Objectivity**

**Article 12** A CPA shall act fairly and truthfully, not to compromise their professional judgment because of bias, conflict of interest or the undue influence of others.

**Article 13** A CPA shall not perform a relevant professional service if a circumstance or relationship biases or unduly influences the CPA's professional judgment with respect to that service.

## **Chapter 5 Professional Competence and Due Care**

**Article 14** A CPA shall attain and maintain professional competence through education, training and practice.

**Article 15** A CPA shall continuously be aware of and understand relevant legal, technical and professional developments, maintain professional knowledge and skill at the required level to ensure that clients receive professional services.

**Article 16** A CPA shall exercise sound professional judgment in applying professional knowledge and skills.

**Article 17** A CPA shall maintain due care, comply with applicable professional standards and ethical requirements, act diligently in accordance with the requirements of an assignment, carefully, thoroughly and on a timely basis.

**Article 18** A CPA shall take reasonable steps to ensure that those working under their authority in a professional capacity have appropriate

training and supervision.

**Article 19** Where appropriate, a CPA shall make clients or other users of the engagement reports aware of the limitations inherent in the professional services.

## **Chapter 6 Confidentiality**

**Article 20** A CPA shall maintain confidentiality of confidential information acquired from professional activities, and refrain from:

(a) Disclosing outside the firm confidential information acquired without the client's authority or unless there is a legal right to disclose; and

(b) Using confidential information acquired to their personal advantage or the advantage of third parties.

**Article 21** A CPA shall maintain confidentiality of confidential information disclosed by a prospective client or employer.

**Article 22** A CPA shall maintain confidentiality of confidential information within the firm.

**Article 23** A CPA shall maintain confidentiality in a social environment, being alert to the possibility of inadvertent disclosure, particularly to a close or immediate family member, or a person with close relationship.

**Article 24** A CPA shall take steps to ensure that staff under the CPA's control and persons from whom advice and assistance is obtained respect the duty of confidentiality.

**Article 25** Even after the end of relationships between a CPA and a client, the CPA still need to maintain confidentiality of confidential information acquired from prior professional activities.

When a CPA acquires a new client, the CPA is entitled to use prior experience, but shall not use or disclose any confidential information ac-

quired as a result of prior professional activities.

**Article 26** The following are circumstances where CPAs can disclose confidential information:

(a) Disclosure is permitted by law and is authorized by the client;

(b) Disclosure is required by law, for example, to produce documents or other provision of evidence in the course of legal proceedings or arbitrations, or disclose to the appropriate regulatory body of infringements of the law that come to light;

(c) To protect their legal interests in legal proceedings or arbitrations if permitted by law or regulation;

(d) To comply with the quality review of regulatory bodies or the institutes of CPAs, or to respond to an inquiry or investigation by them; and

(e) Other circumstances prescribed by law or regulation, professional standards or ethical requirements.

**Article 27** In deciding whether to disclose confidential information, relevant factors to consider include:

(a) Whether the disclosure of confidential information is prohibited by law or regulation if the client consents to the disclosure;

(b) Whether the interests of all parties could be harmed if the client consents to the disclosure of information by the CPA;

(c) Whether all the relevant information is known and substantiated;

(d) The type of communication that is expected and to whom it is addressed; and

(e) Any possible legal duty that may be assumed and the possible outcome of disclosure.



## **Chapter 7 Professional Behavior**

**Article 28** A CPA shall comply with relevant laws and regulations, and avoid any action that may discredit the profession.

**Article 29** In marketing and promoting themselves and their work, the CPAs shall be objective, truthful and act appropriately, and not bring the profession into disrepute.

**Article 30** A CPA shall be honest and truthful and not:

(a) Make exaggerated claims for the services they are able to offer, the qualifications they possess, or experience they have gained; or

(b) Make disparaging references or unsubstantiated comparisons to the work of other CPAs.

## **Chapter 8 Supplementary Provisions**

**Article 31** This Code is effective on July 1, 2010.