

## SECTION 12

### Clients' Monies

- 12.1 The chartered accountant in practice should not hold clients' monies if there is reason to believe that they were obtained from, or are to be used for, illegal activities.
- 12.2 A chartered accountant in practice entrusted with monies belonging to others should:-
  - (a) keep such monies separately from personal or firm monies.
  - (b) use such monies only for the purpose for which they are intended; and
  - (c) at all times, be ready to account for those monies to any persons entitled to such accounting.
- 12.3 A chartered accountant in practice should maintain one or more bank accounts for clients' monies. Such bank accounts may include a general client account into which the monies of a number of clients may be paid.
- 12.4 Clients' monies received by a chartered accountant in practice should be deposited without delay to the credit of a client account, or-if in the form of documents of title to money and documents of title which can be converted into money-be safeguarded against unauthorized use.
- 12.5 Monies may only be drawn from the client account on the instructions of the client.
- 12.6 Fees due from a client may be drawn from client's monies provided the client, after being notified of the amount of such fees, has agreed to such withdrawal in writing.
- 12.7 Payments from a client account shall not exceed the balance standing to the credit of the client.
- 12.8 When it seems likely that the client's monies remain on client account for a significant period of time, the chartered accountant in practice should, with the concurrence of the client, place such monies in an interest / profit / return bearing accounts within a reasonable time.
- 12.9 All interest earned on clients' monies should be credited to the client account.
- 12.10 Chartered accountants in practice should keep such books of account as will enable them, at any time, to establish clearly their dealings with clients' monies in general and the monies of each individual client in particular. A statement of account should be provided to the client at least once a year.