

SECTION 4

Confidentiality

- 4.1 Chartered Accountants have an obligation to respect the confidentiality of information about a client's or employer's affairs acquired in the course of professional services. The duty of confidentiality continues even after the end of the relationship between the chartered accountants and the client or employer.
- 4.2 Confidentiality should always be observed by a chartered accountant unless specific authority has been given to disclose information or there is a legal or professional duty to disclose.
- 4.3 Chartered accountants have an obligation to ensure that staff under their control and persons from whom advice and assistance is obtained respect the principle of confidentiality.
- 4.4 Confidentiality is not only a matter of disclosure of information. It also requires that a chartered accountant acquiring information in the course of performing professional services does neither use nor appear to use that information for personal advantage or for the advantage of a third party.
- 4.5 A chartered accountant has access to much confidential information about a client's or employer's affairs not otherwise disclosed to the public. Therefore the chartered accountant should be relied upon not to make unauthorized disclosures to other persons. This does not apply to disclosure of such information, in order properly to discharge the chartered accountant's responsibility according to the profession's standards.
- 4.6 The following are examples of the points which should be considered in determining whether confidential information may be disclosed:-
 - (a) When disclosure is authorized. When authorization to disclose is given by the client or the employer the interests of all the parties including those third parties whose interests might be affected should be considered.
 - (b) When disclosure is required by law. Examples of when a chartered accountant is required by law to disclose confidential information are:
 - (i) to produce documents or to give evidence in the course of legal proceedings; and
 - (ii) to disclose to the appropriate public authorities infringements of the law which come to light.
 - (c) When there is a professional duty or right to disclose:-
 - (i) to comply with technical standards and ethics requirements; such disclosure is not contrary to this section;
 - (ii) to protect the professional interests of a chartered accountant in legal proceedings;
 - (iii) to comply with the quality control review program of the Institute.

(iv) to respond to an inquiry or investigation by the Institute.

4.7 When the chartered accountant has determined that confidential information can be disclosed, the following points should be considered: -

4.7.1 Whether or not all the relevant facts are known and substantiated, to the extent it is practicable to do so; when the situation involves unsubstantiated fact or opinion, professional judgement should be used in determining the type of disclosure to be made; if any

4.7.2 What type of communication is expected and the addressee; in particular, the chartered accountant should be satisfied that the parties to whom the communication is addressed are appropriate recipients and have the responsibility to act on it, and

4.7.3 Whether or not the chartered accountant would incur any legal liability having made a communication and the consequences thereof.

In all such situations, the chartered accountants should consider the need to consult legal counsel.