The Code of Ethics for Accountants

Adopted by the American Institute of Accountants in 1918

1. A firm or partnership, all the individual members of which are members of the Institute (or in part members and in part associates, provided all the members of the firm are either members or associates), may describe itself as "Members of the American Institute of Accountants," but a firm or partnership, all the individual members of which are not members of the Institute (or in part members and in part associates), or an individual practicing under a style denoting a partnership when in fact there be no partner or partners, or a corporation or an individual or individuals or for such other discipline as the Council may impose upon proper presentation of proof that such misstatement was either willful or the result of such gross negligence as to be inexcusable.

2. No member shall allow any person to practice in his name as a public accountant who is not member of the Institute or in partnership with him or in his employ on a salary.

3. No member shall directly or indirectly allow or agree to allow a commission, brokerage or other participation by the lats in the fees or profits of his professional work; nor shall he accept directly or indirectly from the lats any commission, brokerage or other participation for professional or commercial business turned over to others as an incident of his service to clients.

4. No member shall engage in any business or occupation conjointly with that of a public accountant, which in the opinion of the Committee or of the Council is incompatible or inconsistent therewith.

5. No member shall certify to any account, exhibits, statements, schedules or other forms of accountancy work which have not been verified entirely under the supervision of himself, a member of his firm, one of his staff, a member of this institute or a member of a similar association of good standing in foreign countries which has been approved by the Council.

practicing under a style denoting a corporate organization, shall not use the designation, "Members (or Associates) of the American Institute of Accountants."

8. The preparation and certification of exhibits, statements, schedules or other forms of accountancy work, containing an essential misstatement of fact or omission therefrom of such a fact as would amount to an essential misstatement, or a failure to put prospective investors on notice in respect of an essential or material fact not specifically shown in the balance-sheet itself, shall be ipso facto cause for expulsion.

7. No member shall take part in any effort to secure the enactment or amendment of any state or federal law or of any regulation of any governmental or civic body, affecting the practice of the profession, without giving immediate notice thereof to the Secretary of the Institute, who in turn shall at once advise the Executive Committee or the Council.

9. No member shall directly or indirectly solicit the client's or encroach upon the business of another member, but it is the right of any member to give professional service and advice to those asking such service or advice.

10. For a period not exceeding two years after notice by the Committee on Ethical Publicity no member or associate shall be permitted to distribute circulars or other instruments of publicity without the consent and approval of said committee.

11. No member shall directly or indirectly offer employment to an employee of a fellow member without first informing said fellow member of his intent. This rule shall not be construed so as to inhibit negotiations with anyone who of his own initiative or in response to public advertisement shall apply to a member for employment.

12. No member shall render professional service, the anticipated fee for which shall be contingent upon his findings and results thereof.