



DISCIPLINARY PENALTY GUIDELINES

[Amended by the Council on [day], [date]th [month] 2025]

Amendment approved by members of the Institute at the [●]th [●] General Meeting held on [day], [date]th [month] 2025

1. In pursuance of Part VII of the Public Accountants and Auditors Act (Cap. 53:06 of the Laws of Malawi) (the “Act”), the Articles of Association and Code 9.17 of the Disciplinary Code and Procedures (the “Code”) of the Institute of Chartered Accountants in Malawi (the “Institute”), the Institute has issued disciplinary penalty guidelines (the “Penalty Guidelines”) with a range of disciplinary penalties to guide the Disciplinary Committee when imposing penalties on a Member, Registered Trainee or Registered Student (“Respondent”) who has been found to have committed Punishable Conduct or any other misconduct affecting the Institute, the Malawi Accountants Board (the “Board”) and/or the Board.
2. In deciding on a penalty or penalties to be imposed on a Respondent, a disciplinary panel (under the Disciplinary Committee) shall have regard to the following Penalty Guidelines:

No.	Punishable Conduct	Minimum Penalty	Maximum Penalty	Period after which disciplinary record may be expunged (on Application)
1	Contravenes or fails to comply with any provision of the Act with which it is his or her duty to comply with	Severe reprimand, fine up to K450,000, or both reprimand and fine	Suspension up to 1 year, fine up to K2,500,000, or both suspension and fine	3 years for minimum penalty & 7 years for maximum penalty
2	Contravenes or fails to comply with any provision of any other statute with which it is his or her duty to comply with	Severe reprimand, fine up to K450,000, or both reprimand and fine	Suspension up to 1 year, fine up to K2,500,000, or both suspension and fine	3 years for minimum penalty & 7 years for maximum penalty
3	Commits any offence involving moral turpitude or dishonesty, including theft, fraud, corruption, bribery, or perjury	Suspension up to 3 years, or a fine up to K2,500,000, or both	Expulsion or a fine up to K10,000,000, or both	7 years for minimum penalty & 7 years for maximum penalty
4	Without reasonable cause, fails to carry out his professional work or duties	Reprimand or fine of up to K750,000, or both	Severe reprimand or fine up to K1,500,000 or both	3 years for minimum penalty & 5 years for maximum penalty

No.	Punishable Conduct	Minimum Penalty	Maximum Penalty	Period after which disciplinary record may be expunged (on Application)
5	With intent, evades or assists any other person to evade tax, duty, levy, charge, prescribed rate, whatsoever	Severe reprimand or fine up to K1,500,000 or both	Suspension up to 3 years, or a fine up to K2,500,000, or both	3 years for minimum penalty & 7 years for maximum penalty
6	Commits fraudulent misrepresentation, deceit or misleading conduct on client, employer or any other person	Severe reprimand or fine up to K1,500,000 or both	Suspension up to 3 years, or a fine up to K2,500,000, or both	3 years for minimum penalty & 7 years for maximum penalty
7	Unlawfully fails to account for, or when called to do so, unreasonably delays to accounting for, any money or property received for a client or any other person	Suspension up to 3 years, or a fine up to K2,500,000, or both	Expulsion or a fine up to K10,000,000, or both	7 years for minimum penalty & 7 years for maximum penalty
8	Knowingly or recklessly prepares or assists any other person to prepare, to make or to file false statement (whether oral or written statement)	Reprimand or fine of up to K750,000, or both	Severe reprimand or fine up to K1,500,000 or both	3 years for minimum penalty & 5 years for maximum penalty
9	Knowingly or recklessly prepares, files or maintains, false books of account or other records	Severe reprimand or fine of up to K1,200,000, or both	Severe reprimand or fine up to K2,500,000 or both	3 years for minimum penalty & 5 years for maximum penalty
10	Divulges to any third-party confidential information obtained in the course of professional relations with a client or an employer	Severe reprimand or fine of up to K1,200,000, or both	Severe reprimand or fine up to K2,500,000 or both	3 years for minimum penalty & 5 years for maximum penalty

No.	Punishable Conduct	Minimum Penalty	Maximum Penalty	Period after which disciplinary record may be expunged (on Application)
11	Fails to adhere to Professional Standards or professional competence or lack of professional independence	Severe reprimand or fine of up to K1,200,000, or both	Severe reprimand or fine up to K2,500,000 or both	3 years for minimum penalty & 5 years for maximum penalty
12	Fails to adhere to the Institute's CPD policy requirements without reasonable cause	Reprimand or fine of up to K750,000, or both	Severe reprimand or fine up to K1,500,000 or both	3 years for minimum penalty & 5 years for maximum penalty
13	Fails to timeously submit required CPD evidence, without reasonable cause, when selected for CPD audit	Reprimand or fine of up to K750,000, or both	Severe reprimand or fine up to K1,500,000 or both	3 years for minimum penalty & 5 years for maximum penalty
14	Solicits, advertises, or canvasses in or outside Malawi in any manner whatever not permitted by the By-laws or Codes	Severe reprimand or fine of up to K1,200,000, or both	Severe reprimand or fine up to K2,500,000 or both	3 years for minimum penalty & 5 years for maximum penalty
15	Fails to reply to correspondence from the Institute, the Board or clients within prescribed or reasonable time without reasonable cause	Caution	Reprimand or fine up to K300,000	1 year for minimum penalty & 3 years for maximum penalty
16	Fails to comply within a reasonable time with an order, request or requirement by the Institute or the Board	Severe reprimand, fine up to K450,000, or both reprimand and fine	Suspension up to 1 year, fine up to K2,500,000, or both suspension and fine	3 years for minimum penalty & 7 years for maximum penalty
17	Fails, without reasonable cause, to pay the Institute's subscription fees, levy or charge after demand by the Institute	Severe reprimand, or a fine up to K750,000, or both	Expulsion or a fine up to K1,500,000	7 years for minimum penalty & 7 years for maximum penalty

No.	Punishable Conduct	Minimum Penalty	Maximum Penalty	Period after which disciplinary record may be expunged (on Application)
18	Gets a provisional sequestration ("PS") order or a final sequestration ("FS") order	If PS order, suspension covering the full period of the PS order	If FS order, expulsion	7 years for minimum penalty & 7 years for maximum penalty
19	Conducts himself in a manner which is discreditable as accountant or auditor & tends to bring the Institute, the Board or the Profession into disrepute	Severe reprimand, fine up to K750,000 or both; or else, suspension up to 3 years, a fine up to K2,500,000, or both	Expulsion or a fine up to K6,000,000, or both	7 years for minimum penalty & 7 years for maximum penalty
20	Without reasonable cause, refuses or fails when requested by a client to do so to resign from professional appointment	Severe reprimand or fine of up to K1,200,000, or both	Severe reprimand or fine up to K2,500,000 or both	3 years for minimum penalty & 5 years for maximum penalty
21	Unreasonably withholding of a client or former client professional documents	Severe reprimand, or fine of up to K1,200,000, or both	Severe reprimand or fine up to K2,500,000 or both	3 years for minimum penalty & 5 years for maximum penalty
22	Attempts or threatens to impose, or imposes a restraint on a Registered Trainee which will apply after a Training Contract	Severe reprimand or fine of up to K1,200,000, or both	Severe reprimand or fine up to K2,500,000 or both	3 years for minimum penalty & 5 years for maximum penalty
23	Receives any payment or reward from a Registered Trainee as consideration for agreeing to cancel a Training Contract	Severe reprimand or fine of up to K1,200,000, or both	Severe reprimand or fine up to K2,500,000 or both	3 years for minimum penalty & 5 years for maximum penalty

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24	Discharges a Training Contract without supporting evidence of required level of competence demonstrated of a Registered Trainee	Severe reprimand or fine of up to K1,200,000, or both	Severe reprimand or fine up to K2,500,000 or both	3 years for minimum penalty & 5 years for maximum penalty
25	Fails to retain records of a Registered Trainee for a period specified under the training rules	Severe reprimand or fine of up to K1,200,000, or both	Severe reprimand or fine up to K2,500,000 or both	3 years for minimum penalty & 5 years for maximum penalty
26	Disciplined by any foreign professional body in another jurisdiction	Similar penalty as one imposed by the foreign body elsewhere	Similar penalty as one imposed elsewhere	7 years for minimum penalty & 7 years for maximum penalty
27	Convicted of crime in or outside Malawi whether relating to the Profession or not with imprisonment as one of penalties	Expulsion	Expulsion	Not applicable
28	Practises on an unrenewed, suspended or cancelled licence	Expulsion and refer for state prosecution	Expulsion and refer for state prosecution	Not applicable
29	Gives false or forged evidence to clients or employers or any authority	Expulsion and refer for state prosecution	Expulsion and refer for state prosecution	Not applicable
30	Uses misleading or deceptive name(s) with intention to defraud or deceive	Expulsion and refer for state prosecution	Expulsion and refer for state prosecution	Not applicable

No.	Punishable Conduct	Minimum Penalty	Maximum Penalty	Period after which disciplinary record may be expunged (on Application)
31	Engages unlicensed person to practise public accounting, or aides unlicensed persons to practise public accounting	Expulsion and refer for state prosecution	Expulsion and refer for state prosecution	Not applicable

3. A disciplinary panel shall have discretion to interpret the Penalty Guidelines or apply the same to any case not listed herein.
4. All monetary penalties shall be subject to annual review and shall be adjusted in accordance with the rate of the increase of the Institute's annual subscription fees and/or annual average national inflation rate in a particular year.
5. A disciplinary panel shall be entitled to deviate from the Penalty Guidelines upon a showing of aggravating or mitigating circumstances by clear and convincing evidence presented to the panel prior to the imposition of a final penalty.
6. Aggravating circumstances which may justify deviating from the Penalty Guidelines and cause enhancement of a penalty beyond the maximum penalties shall include, but not be limited to, the following:
 - a. the history of previous contraventions of a practice, act or rules promulgated thereto;
 - b. multiple convictions; or
 - c. in the case of negligence, the magnitude and scope of the engagement and the damage inflicted upon the public by a Respondent's misfeasance.
7. Mitigating circumstances which may justify deviating from the Penalty Guidelines and cause the lessening of a penalty beyond the minimum penalties shall include, but not be limited to, the following:
 - a. in cases of negligence, the minor nature of the engagement in question and lack of danger to the public, client or the Profession;

- b. lack of previous disciplinary history in this or any other jurisdiction wherein a Respondent practises his or her profession;
- c. restitution of any damage suffered by the Respondent's client or other victim;
- d. steps taken by the Respondent or his or her firm to insure the non-occurrence of similar violations in the future; or
- e. the degree of financial hardship incurred by the Respondent as a result of the imposition of a fine or suspension.