

*Extraordinary*



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**INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA  
(SCALE OF PROFESSIONAL FEES, ETC.) REGULATIONS, 2015**



ARRANGEMENT OF REGULATIONS

*Regulation :*

PART I—OBJECTIVES AND SCOPE

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PART II—PROFESSIONAL CHARGES

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S. I. No. 35 of 2015

**INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA  
(SCALE OF PROFESSIONAL FEES, ETC.) REGULATIONS, 2015**

[1st Day of December, 2015]

Commence-  
ment.

**In exercise of the powers conferred on it by sections 17(1) of the Institute of Chartered Accountants of Nigeria Act, Cap. I, 11, Laws of the Federation of Nigeria, 2004 (“the Act”) and all other powers enabling it in that behalf, the Institute of Chartered Accountants of Nigeria (“ICAN”) make the following Regulations—**

**PART I—OBJECTIVES AND SCOPE**

**1.—(1)** The objectives of this Scale of Professional Fees Regulations are to—

Objectives  
and scope.

(a) harmonise the views of practitioners with those of stakeholders on issues relating to fees in the profession ; and

(b) ensure the delivery of first class services to meet the needs of private and public sector clients, regulatory authorities and the general public by a reasonably remunerated practitioner.

(2) These Scale of Professional Fees Regulations shall be used by the stakeholders and practitioners.

**PART II—PROFESSIONAL CHARGES**

**2.—(1)** The Scale of Professional Fees contained in these Regulations is the minimum scale of fees for all categories of practitioners based on hourly rates.

Minimum  
scale of fees  
for all  
categories of  
practitioners.

(2) A Practitioner shall adapt the rates contained in the Scale of Professional Fees to reflect assignments and risks involved in carrying out an assignment and shall charge not less than the fixed minimum; provided that upward adjustment of rates shall be discussed and agreed upon between the practitioner and his client.

(3) A practitioner shall perform risk assessments for all assignments and ensure that the minimum rates apply to the lowest level of engagement risk such as the audit of a general merchant of goods.

(4) It shall be a professional misconduct for a Practitioner to charge below the prescribed minimum rates.

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Minimizing low recovery of fees.

**3.**—(1) To minimize low recovery of fees, all services (except in the case of result-based assignments) shall be pre-paid to not less than 60% of the estimated fee at the Planning Stage and not less than 90% at Report Drafting Stage.

(2) Practitioners shall have fee estimates for all assignments for the guidance of members and their clients.

(3) The Institute shall perform a Fee Reasonableness Test when reviewing quality of services rendered by a practitioner.

Minimum scale for audit and assurance services.

**4.** With effect from the commencement date of these Regulations, the following minimum hourly charge-out rates shall be applicable—

							₦
(a) Partner	..	..	..	..	..	..	40,000
(b) Senior Manager	..	..	..	..	..	..	30,000
(c) Manager	..	..	..	..	..	..	25,000
(d) Senior	..	..	..	..	..	..	20,000
(e) Qualified Trainee	..	..	..	..	..	..	12,500
(f) Semi-Senior	..	..	..	..	..	..	10,000
(g) Junior	..	..	..	..	..	..	5,000

Minimum scale for consultancy and related services.

**5.** With effect from the commencement date of these Regulations, the minimum hourly charge-out rates for consultancy and related services, including taxation, investigations, preparation of business plans, accounting, company secretarial, recruitment, training and management consulting services, shall be—

							₦
(a) Director	..	..	..	..	..	..	70,000
(b) Manager	..	..	..	..	..	..	50,000
(c) Consultant	..	..	..	..	..	..	40,000
(d) Associate	..	..	..	..	..	..	25,000
(e) Officer	..	..	..	..	..	..	20,000
(f) Junior	..	..	..	..	..	..	10,000

Sourcing of funds.

**6.**—(1) The basis of charges for sourcing of funds and related services shall be the percentage of the amount sourced or saved.

(2) The recommended basis of charge for the service referred to under sub-regulation (1) of this regulation shall be 5 -10% of the amount sourced or saved.

Debt recovery.

**7.**—(1) The basis of charge for debt recovery services shall be the percentage of the amount recovered.

(2) The recommended basis of charge for the service referred to under sub-regulation (1) of this regulation shall be a minimum of 15% of the amount recovered.

<p><b>8.</b>—(1) The basis of charge for tax and other saving services shall be the amount saved.</p>	<p>Tax and other savings.</p>
<p>(2) The recommended basis of charge for the services referred to under sub-regulation (1) of this regulation shall be a minimum of 15% of the amount saved.</p>	
<p><b>9.</b> The recommended basis of charge for insolvency related services shall be a minimum of 15% of the amount sourced, recovered or saved except where the fee is determined by law or regulation.</p>	<p>Insolvency.</p>
<p><b>10.</b>—(1) When performing an independent business valuation engagement, a practitioner shall not contract for or accept a contingent fee.</p>	<p>Business valuation engagement.</p>
<p>(2) The recommended basis of charge for the service referred to under sub-regulation (1) of this regulation shall be a minimum of 15% of the amount valued.</p>	
<p>(3) For the purpose of this regulation, “a contingent fee” refers to an arrangement whereby no fee is charged unless a specified finding or result is attained, or where the amount of the fee is otherwise contingent on the findings or results of the engagement or on the success of a transaction to which the valuation relates.</p>	
<p><b>11.</b>—(1) The recommended basis of charge for reporting accountants' services shall be 1.35% of the offer.</p>	<p>Reporting accountants and auditors.</p>
<p>(2) The recommended basis of charge for reporting auditors' services shall be 0.67% of the offer.</p>	
<p><b>12.</b> In any foreign currency based transactions, a Practitioner may charge fees based on the same currency used for the transactions.</p>	<p>Foreign currency based transactions.</p>
<p><b>13.</b>—(1) Where more than one Practitioner is engaged on an assignment, fees shall be apportioned in accordance with allocation of tasks.</p>	<p>Joint fees.</p>
<p>(2) In other to ensure equitable distribution of fees and assignments referred to under sub-regulation (1) of this regulation, tasks may be rotated between the firms or the Practitioners in line with the terms and conditions set out in a duly endorsed engagement agreement.</p>	
<p><b>14.</b> Fees under these Regulations shall be independent of reimbursable or incidental expenses in line with the terms and conditions set out in a duly endorsed engagement agreement.</p>	<p>Reimbursable and incidental expenses.</p>

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Value Added Tax.

**15.** Fees under these Regulations shall be exclusive of Value Added Tax and an engagement agreement shall clearly specify that fees under these Regulations shall be exclusive of Value Added Tax.

With-holding Tax.

**16.—**(1) With-holding tax shall be deducted from a Practitioner’s fees in accordance with relevant Nigerian Tax Laws.

(2) A Practitioner may request his client to make the financial instrument for the with-holding tax deduction payable to the Federal, State or Local Government Tax authority as appropriate in the circumstance.

(3) A Practitioner shall obtain the financial instrument for the with-holding tax deduction from the client, process the payment and obtain the receipt for the payment.

(4) The receipt obtained pursuant to sub-regulation (3) of this regulation shall be the property of the Practitioner and shall be referred to as the Practitioner's Tax Credit.

(5) The Practitioner shall forward a copy of the receipt obtained pursuant to sub-regulation (3) of this regulation to the client.

Fee Disputes Arbitration Process.

**17.—**(1) The Council shall, in line with the provisions of section 17 of the Institute of Chartered Accountants of Nigeria Act and subject to the approval of the Attorney-General of the Federation, make rules for Fee Disputes Arbitration Process under these Regulations.

(2) In any Fee Disputes Arbitration Process under these Regulations, Parties shall—

(a) provide details of the fee dispute which shall be supported with relevant evidence ; and

(b) bear the cost of the Fee Disputes Arbitration Process based on the decision of the arbitrator.

(3) In any Fee Disputes Arbitration Process under these Regulations, an independent Chartered Accountant to be agreed by the Parties shall be the Arbitrator subject to the provisions of applicable Laws and Regulations.

**PART III—QUALITY CONTROL**

Maximum human capacity.

**18.—**(1) A limit shall be recognized on the number of assignments to be handled by an engagement partner to ensure high-quality of work and good health.

(2) The human capacity level may be broadened through the engagement of efficient processes and competent staff; provided that, the practitioner's right to a fair level of fees shall be consistent with the duty to provide cutting edge services.



**19.—(1)** As a minimum practice requirement, a Practitioner shall—

Minimum  
Practice  
requirements.

(a) hold a valid practising licence ;

(b) have public practice experience ;

(c) not be in full time or part time employment in the public or private sector while in practice ;

(d) not use the name of a licensed firm to carry on another business incompatible with the practice ; and

(e) obtain professional indemnity insurance cover.

(2) As a minimum practice requirement, a Practitioner shall at all time act in conformity with the prescribed rules and regulations of the Institute in force, from time to time.

(3) A Practitioner shall display his Practice or Firm Name in his office.

(4) The display chest of the Practitioner's name shall be of reasonable size, legibly worded, and modestly and decently displayed.

(5) The Practice or Firm Name shall consist of the registered name and the inscription of the words, “Chartered Accountants”.

(6) The Practice or Firm Name shall not be the name of an existing local or international practice such as may mislead the public as to the true identity of the practitioner or firm.

**20.—(1)** The business premises and office space of the practitioner shall—

Business  
Premises or  
Office  
Space.

(a) be located in a part of a town or locality befitting of the status of a professional ;

(b) be suitably ventilated, clean and presentable to members of the public ; and

(c) consist of at least a separate room or appropriately partitioned space for—

(i) the Principal or Managing Partner,

(ii) other Partners (maximum 2 persons per room),

(iii) Reception, outer office or secretary’s office,

(iv) Manager and Senior's Room (maximum of 3 persons per room),

(v) Junior Professional Staff, and

(vi) storage space for keeping documents, files and stationeries.

(2) Where the office space referred to under sub-regulation (1) of this regulation is part of a residential building, the practitioner shall ensure that there is a distinguishing demarcation of the office space from other sections or parts of the building not used for office or business purposes.

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(3) Where the business premises is not owned by the practitioner, due diligence must be exercised by him to ensure that his tenancy is regular and duly documented.

(4) No part of the practitioner's office space shall be used for trading or for any other purpose not directly relevant to or compatible with the profession.

(5) A practitioner shall build for his practice, a library full of resources and may subscribe to the Institute's virtual and dynamic library.

(6) In this regulation, "business premises" and "office space" refers to head office, liaison office or branch office of a practitioner.

Equipment  
and  
supplies.

**21.**—(1) The minimum office furniture requirement for each practice shall be such as will duly equip the office space prescribed in regulation 20 of these Regulations plus such reasonable furniture for clients, visitors and other persons involved or associated with the practice.

(2) The office of the Principal or Managing Partner shall have at least an air conditioning unit or other mechanical devices installed therein to ensure cooling, air circulation and proper ventilation.

(3) All other rooms and working environment shall be made conducive for the use of partners and staff engaged in the practice.

(4) Each practice shall have at least three file holding cabinets, desirably fireproof, fitted with locks, to separately hold documents or files relating to—

- (a) general or special correspondence ;
- (b) permanent or periodic working papers ; and
- (c) clients tax papers or insolvency related issues.

(5) Each practice shall have—

- (a) not less than one computer and printer procured for the exclusive use of the practice ; and
- (b) communication and document transmission or reproduction equipment.

(6) Where any communication or documents reproduction or transmission equipment are shared, the Practitioner shall take appropriate steps to ensure confidentiality and integrity of his dealings with clients in the use of such shared facilities.

- 22.—(1)** The minimum number of full-time non-partner staff that shall be engaged in a practice shall be at least three persons deployed to cover—
- (a) accountancy, audit, taxation and insolvency ;
  - (b) reception and secretarial duties ; and
  - (c) sanitation, office assistance or messenger duties.
- (2) Staff remuneration shall be reasonable, non-exploitative and geared towards ensuring that the Practitioner and his staff give high-quality services at all times.
- (3) The payment of the remuneration of staff engaged by a practice shall be the responsibility of that practice and shall be paid or payable in observance of all laws and the Institute's Codes (if any) relating to the payment of salaries and allowances.
- (4) Each staff employed in a practice shall at the time of engagement be issued an appointment letter and identity card.

Staff  
Complement.

**PART IV—MISCELLANEOUS**

- 23.** Problems associated with the interpretation of the Scale of Professional Fees under these Regulations may be directed to the Registrar/ Chief Executive Officer of the Institute.
- 24.—(1)** The ICAN Scale of Fees existing before the coming into force of these Regulations is revoked.
- (2) Without prejudice to section 6 of the Interpretation Act, the revocation of the Regulations specified in sub-regulation (1) of this regulation shall not affect anything done or purported to be done under or pursuant to the revoked Regulations.
- (3) Subject to the provisions of the Act, the Institute may, from time to time, amend or revoke the provisions of these Regulations.
- 25.** Any person who commits a breach or fails to comply with any of the provisions of these Regulations shall be invited to appear before the Institute's Investigating Panel which may subject to its finding refer the person to the Accountants' Disciplinary Tribunal or close the matter.
- 26.** In these Regulations, unless the context otherwise requires—
- “*Access to exit*” refers to that part of means of egress within a building or office space that provides access or means of egress from the building or office space ;
- “*Act*” means the Institute of Chartered Accountants of Nigeria Act, Cap I 11, Laws of the Federation of Nigeria, 2004 ;

Interpreting  
the Scale of  
Professional  
Fees.

Revocation  
and savings  
provision.

Offences  
and  
Penalties.

Interpretation.

**B 770**

“*Air Conditioning*” means the treatment of air for the purpose of simultaneously controlling its temperature, humidity, cleanliness and distribution in a space ;

“*Building*” means any structure used or intended for supporting or sheltering any use or occupancy ;

“*Fire Protection System*” means a system including devices and equipment to detect a fire, actuate an alarm or suppress or control a fire or any combination thereof ;

“*Means of Egress*” means a continuous and unobstructed path of movement from any point in a building or structure to a public space which consists of the vertical and horizontal means of movement including intervening room, doors, hallways, corridors, passageways, balconies, stairs, enclosures, lobbies, escalators, horizontal exits, courts and yards ; and

“*the Institute*” means the Institute of Chartered Accountants of Nigeria.

Citation. **27.** These Regulations may be cited as the Institute of Chartered Accountants of Nigeria (Scale of Professional Fees, Etc) Regulations, 2015.

MADE at Lagos this 1st day of December, 2015.

ROTIMI OMOTOSO, MBA, FCA  
*Registrar/ Chief Executive*  
*Institute of Chartered Accountants of Nigeria*

EXPLANATORY NOTE

*(This Note does not form part of these Regulations  
but is intended to explain its purport)*

These Regulations set out the Scale of Professional Fees for all categories of Institute of Chartered Accountants of Nigeria (ICAN) practitioners based on hourly rates and seek to harmonise the views of practitioners with those of stakeholders on issues relating to fees in the profession. These Regulations ensure the delivery of first class services to meet the needs of private and public sector clients, regulatory authorities and the general public by a reasonably remunerated practitioner.