

## FAQs On Firms

### **Q1. How to apply and procedure for fresh firm name approval?**

Ans: The H.O. In-charge of the firm can apply for the name approval

- 1 Visit [www.icaai.org](http://www.icaai.org)
- 2 **Click on Self Service Portal**, fill/create login and password.
- 3 Click on **Firm Function**
- 4 hereafter Click on **Firm New Application**
- 5 Click on folder **FIRM NAME APPROVAL (FORM 117)**
- 6 Please read **Instructions and guidelines then close**
- 7 Choose Radio Button for New Firm name, Select **Type of CA firm**
- 8 Then Select Type of Association whether applying for **Proprietor or Partnership firm**
- 9 Fill the firm name preference as per Regulation 190. Thereafter press **Validate Firm Name** to check the availability.
- 10 Check the address, Generate OTP and Captcha and submit the application.
- 11 If you are applying for partnership firm, **OTP should be verified by all the partners**, then application will move to RO level.
- 12 Finally, your submitted **Application Status** should be as:-

Form Status	<b>Submitted</b>
OTP Declaration Status	<b>Completed</b>
Approver Action	<b>Pending</b>

### **Q2. How to apply for Change in existing Firm Name?**

Ans: **STEPS FOR change in firm name of existing firm:-** The HO in-charge member of the firm can apply for the name change and reconstitution thereof.

- 1 Visit [www.icaai.org](http://www.icaai.org)
- 2 **Click on Self Service Portal**, fill/create login and password.
- 3 Click on **Firm Function**
- 4 Then click on **Firm new application**
- 5 Thereafter click on **folder firm name change (form 117)**
- 6 Please read the **Instruction and guidelines then close**
- 7 Click on the **firm registration no. for concerned firm registration**
- 8 Fill the firm names preferences as per Regulation 190.
- 9 Then click on **Validate Firm name**
- 10 Generate the OTP and submit, if partnership firm **OTP should be verified by all the partners**, then your application will move to RO Dashboard.
- 11 Finally, your submitted **Application Status** should be as:-

Form Status	<b>Submitted</b>
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OTP Declaration Status	<b>Completed</b>
Approver Action	<b>Pending</b>

**Q3. What is the procedure for constitution of LLP Firm? Ans:** Steps for Fresh/New LLP approval (Form 117):-

1. **Click on ICAI.ORG click on Self Service Portal**, fill User Id and password.
2. Click on **Firm Function**
3. Click on **Firm New application**
4. Click on **New Firm name (Form 117) folder**
5. Select **Firm Type "LLP"**
6. Fill members/partners details
7. Fill the name preference
8. Generate OTP and Captcha and submit the application.
9. **OTP should be verified by all the partners through his/her own login against same application No. Firm Function-->Submitted application--> Form 117 folder-->**
10. Check in **Submitted application** whether your application has been **moved to RO Level or not.**
11. Finally, your **Application Status** should be as:-

Form Status	<b>Submitted</b>
OTP Declaration Status	<b>Completed</b>
Approver Action	<b>Pending</b>

After obtaining Firm name approval and NOC from M&SS Directorate, the H.O. in-charge of the firm can apply to ROC documentation by filling form no. 2 (FiLLip)

After receiving ROC documents, the H.O. in-charge of the firm can submit form 18 along with Incorporation certificate issued by ROC, firm name approval by ICAI, NOC by M&SS, Form 2 of ROC, LLP Deed.

**Q4. How to convert CA firm into LLP Firm in SSP ?**

Ans: Steps for Conversion of CA firm into LLP Firm (Initiate the Form No. 117 by Firm Incharge ID):-

1. Use **icai.org click on Self Service Portal**, create/fill login id and password.
2. Click on **Firm Function**
3. Then click on **Firm New application.**
4. Thereafter click on **Conversion to LLP (Form 117) folder**
5. Fill the name preference as per instruction.
6. Check the address, Generate OTP, fill Captcha and Submit the application.
7. OTP should be verified by all the partners through his/her own login against same application Firm Function-->>Submitted application--> Form 117 folder--> select/click text box-->Select concern FRN Search--> Click on eye view below Action-->click on Pending-->validate OTP.....
8. Finally, your **Application Status** should be as: -

Form Status	<b>Submitted</b>
OTP Declaration Status	<b>Completed</b>
Approver Action	<b>Pending</b>

After obtaining Firm name approval and NOC from M & SS, the H.O. in-charge of the firm can apply to ROC documentation by Form 17 needs to be filed along with Form 2 (FiLLip)

After receiving ROC approval (i.e. Conversion Certificate in Form 19 of ROC), the H.O. in-charge of the firm can submit form 18 along with Incorporation certificate issued by ROC, firm name approval by ICAI, NOC by M&SS, Form 19 of ROC, LLP Deed.

**Q5. What is the procedure for constitution of MCS (Management Consultancy Services)?**

Ans: **STEPS FOR filling FORM G :-**

1. Use icai.org, **click of Self Service Portal**, Fill login and password.
2. Click and get access the Member SSP Portal.
3. Click on **Firm Function**
4. Then click on **Firm New application**
5. Thereafter click on **Firm Name Approval (Form 117) folder**
6. Choose Radio Button for New Firm name, Select **Type of MCS firm**
7. Fill Membership Nos.
8. Fill the firm name preference as per Regulation 190 and MCS guidelines. Such as (A B C BUSINESS CONSULTANCY PRIVATE LIMITED) .
9. Check the address, Generate OTP and Captcha and submit the application.
10. Other member will validate **OTP in** his/her login against same application no.
11. **After validation of OTP by all members, your application will be moved to RO level.**
12. Finally, your **Application Status** should be as:-

Form Status	<b>Submitted</b>
OTP Declaration Status	<b>Completed</b>
Approver Action	<b>Pending</b>

After successful validation of all partners, the Head in charge has to view the submitted form and then your application will move to R.O. level for further action.

After obtaining Firm name approval and NOC from M&SS Directorate, the H.O. in-charge of the firm submit form 18 along with following documents: -

Spice + MOA (Form No. INC-33) Spice + AOA (Form No. INC-34) Form No. INC-35  
Form No. INC-9 Spice+(Form No. INC-32) Certificate of Incorporation  
Form H duly filled and signed by all partners

**Q6. What is the validity period of “firm name approval” ?**

Ans. The Firm name approval is valid for 30 days only for normal CA firm and 90 days for LLP firm from the date of issuance of approval letter.

**Q7. Which Form is to be submitted for change in firm name in case of LLP firm?**

Ans. In ICAI, “firm name change Form 117” application has to be submitted and In ROC, Form No. 5.

**Q8. Can a closed firm be reopened?**

Ans. There is no provision of revival of firm. Required to apply for firm name approval as fresh in form no 117 with same firm name if needed (depending on the availability same firm name can be granted). The name will be allotted from the current date. After firm name approval, new registration number will be issued by filling the Form no. 18 for firm constitution.

**Q9. What is the difference between Sole Practice & Sole Proprietary firm?**

Ans. Sole Practice is done in Members name using simply Membership number, however Sole Proprietary firm should compulsorily have firm name and separate firm registration number, which needs to be approved by M&SS Directorate of ICAI.

**Q10. Whether two Chartered Accountants in practice can form a Private Limited Company, if yes what are the restrictions of business?**

Ans. The Pvt limited Company in form of MCS are allowed. Apply in Form G in name approval in 117 under SSP portal. Once you get the name approval, move the application under Form no. 18 in MCS. This rule is applicable for only MCS. Other than this if he/she is having practice in other form, then necessary permission of the Council has to be obtained before entering into any other business forming Private limited Company. In other words, the nature of business has to be disclosed before the entering into and seek permission of the Council.

**Q11. How to apply for Multi-disciplinary Partnership Firm (MDP)?**

Ans. The Approval of Name and its Registration for processing of Multi-disciplinary Partnership firm in SSP (Self Service Portal) is and under implementation. As and when it is developed, the same will be announced at our website [www.icai.org](http://www.icai.org)

**Q12. After surrendering Firm will they get old Firm Name?**

Ans. Yes you can get depending upon the name availability but not the same old Firm no. with old constitution date. You can get the same firm name, but this will be as good as new firm. Please note that Firm once closed can't be retrieved.

**Q13. How to cancel FORM117 (FIRM NAME APPROVAL)**

Ans. After validated the OTP of proprietor/all the partners, this application will move to our dashboard. Thereafter, Kindly mail with all details for cancellation of application (Form 117) at the following mail id:- [bhupesh.gupta@icai.in](mailto:bhupesh.gupta@icai.in) & [fna@icai.in](mailto:fna@icai.in)

**Q14. How many days it takes for approval of application?**

Ans. It takes 3 to 4 working days for ICAI office to process the application.

**Q15. How can I find Firm Name Approval Letter in SSP?**

Ans. Follow these steps: -

Go to Firm Functions (Head In charge of Firm)

Click on Firm Module

Then click on Firm Submitted application – Form 117 folder and select Temp No. **FNA.....**

Then click on eye view, there is option for generate the Firm name approval letter.

**Q16. Whether the firm can use retired Partners name or Initials in their Firm name?**

Ans. As per the guidelines, firm name approves based on partner(s) name/middle name/surname or their initials whose are applying in Form no. 117.

**Q17. How to apply for Networking of firm. ?**

Ans: Steps for filling the Network of Firms (FORM A) :-

1. Use icai.org, **click of Self Service Portal**, Fill login and password.
2. Click and get access the Member SSP Portal.
3. Click on **Firm Function**
4. Then click on **Networking Forms**
5. Thereafter click on **New Network/ Alliance name (Form A) folder**
6. Select **Type of Network** firm
7. Fill Firm registration Nos.
8. Fill the firm name preference as per Regulation 190 and Network of firm guidelines.
9. Check/fill the address, Generate OTP and Captcha and submit the application.
10. OTP should be verified by all the firm's head incharge through his/her own login against same application Firm Function-->>Submitted application--> Networking Forms--> select/click text box-->Select concern FRNSearch--> Click on eye view below Action-->click on Pending-->validate OTP.....
11. After validation of OTP by all head incharge, your application will be moved to RO level.
12. Finally, your **Application Status** should be as:-

Form Status	<b>Submitted</b>
OTP Declaration Status	<b>Completed</b>
Approver Action	<b>Pending</b>

Also, upload authorization letter duly signed by all member(s)/partner(s) (with membership no's) for authorized member/partner of every Networking firm (proprietorship and partnership) (with FRN) on Firm's letterhead.

**Q 18. How can partner Validate the OTP for Form No. 117 ?**

Ans: OTP should be verified by all the partners through at his/her own SSP login against same application number, Firm Function-->>Submitted application--> Form 117 folder--> select/click text box-->Select concern FRN Search--> Click on eye view below Action-->click on Pending-->validate OTP.....

**Q 19. How can obtain the incorporation certificate of LLP through ROC. ?**

Ans: If member get the new name of LLP by ICAI, he should select the option “**NEW**” at ROC portal and if member get the approval of conversion into LLP firm by ICAI, then he/she selects the option “**CONVERSION**” in their portal.

**Q 20. In case of MCS and LLP firm formation, can get directly firm name approval through ROC.**

Ans: NO, you should obtain the LLP name approval and MCS name from ICAI first.

**Q 21. Can family members name be permissible in firm name approval in Form 117.**

Ans: Family member’s name is permissible on those cases where member is not able to get the firm name with own name combinations and all firm combinations have been exhausted of his/her name. Family means Father/Mother/Son/Daughter/Spouse.

# TYPES OF FIRM ACTIVITIES

Firm Constitution

Firm Reconstitution/Change in Particulars

Closure of Firm

Merger

Demerger

Sale/Transfer of Goodwill of Firm

Conversion



## APPROVAL OF FIRM NAME

- ❖ **Members holding COP can make application for approval of the trade/firm name in FORM- 117**
- ❖ **Form 117 should be OTP verified by all the existing partners of the firm**

## CHANGE IN FIRM NAME

- ❖ **Any Firm can apply for Firm Name Change through Form 117**
- ❖ **Change in firm name in case of LLP firm - LLP FORM NO. 5**



# FIRM CONSTITUTION (FORM 18)

❖ A member can apply for Firm Constitution for following Firm Types

1. Sole Practice

2. Proprietorship

3. Partnership

4. Limited Liability Partnership

5. Management Consultancy Service

6. Networking

❖ A Member can apply for Firm Constitution in Form 18 after obtaining Firm Name through Form 117

❖ Firm Constitution to be applied by the same Member who applied for Firm Name Approval

❖ Form 18 is to be filled as per details submitted in Form 117(No changes allowed)

❖ A Firm can register for approved Changed Name through Form 18

❖ ***The Documents required are***

• Sole Practice/Proprietorship - Address Proof

• Partnership - Address Proof & Partnership Deed

• Limited Liability Partnership - Address Proof, LLP Deed, ROC Incorporation Letter (Form 16), Filip Form(Form 2)

# FIRM RECONSTITUTION/CHANGE IN PARTICULARS

## ❖ **A member can apply for Firm Reconstitution or change in particulars of Firm through Change request Form for following activities**

- **Change in Head Incharge/Branch Incharge**
- **Adding/Removing of Branch Office/second Office**
- **Adding/Removing of Paid Assistant**
- **Change in Address of Head Office/Branch Office**
- **Adding/Removing of Partner**

## ❖ **The Documents required are**

- **Adding/Removing of Branch Office/second Office- Address Proof**
- **Adding/Removing of Paid Assistant- Joining/Resignation Letter**
- **Change in Address of Head Office/Branch Office- Address Proof (For LLP HO address Form 15)**



# MERGER-(FORM E)

**Merger is the fusion of two or more existing Firms**

- ❖ **In case of Merger between Firms, only one Firm will be the Parent Firm and the others will be Child Firm(s)**
- ❖ **Post Merger, the status of Child Firm becomes inactive and no activity can be done under child firms**
- ❖ **The Parent Firm gets the seniority of the most senior Firm**
- ❖ **Sole Practitioners can never become a Parent Firm.**
- ❖ **In case Child Firm has second office then the same has to be closed before applying for Merger**

## **The Documents required are**

- **Merger Agreement filled and signed by all partners of Parent, Child Firm and witnesses and executed on Non-Judicial Stamp Paper**
- **Form 3 & 4 in case the Firms involved is a LLP Firm**

**Please note:**

- **The seven clauses mentioned in the pre-filled merger agreement must be mentioned Non-Judicial Stamp Paper, without any change.**
- **The Effective date of Merger and Application date should be within one month**

# DEMERGER – FORM F

- ❖ **No concurrence/acceptance is required from the continuing partners. The merger agreement shall stipulate that in case**
- ❖ **If 75% or more of the continuing partners of one of the erstwhile firm(s) are willing to demerge then they can do so after giving due notice to the other partners and to the Institute.**
- ❖ **The Demerged Firm is entitled to practice in its old trade name**
- ❖ **The demerger can be demanded within a period of 5 years from the date of merger**
- ❖ **In case the demerging Firm Partner is incharge of any Branch office, then either the Branch Incharge should be changed or Branch to be closed**

**The Documents required are:**

# CLOSURE OF FIRM

- ❖ **Closing of Firm will be noted only when no UDIN is generated in Firm's name and not appearing in MEF/Bank Branch Auditor's Panel**
- ❖ **For LLP/MCS firm closure, prior ROC approval is mandatory**
- ❖ ***The Documents required are***
  - **Closure Letter duly signed and mentioning reason for Closure and date of Closure**
  - **For MCS Closure- STK 2**
  - **For LLP Firms, Form 24 Of ROC and Dissolution Deed Is mandatory**

(For LLP- one year cooling period or non activity by the firm for firms constituted above 2 years and 2 year cooling period for newly constituted firms)

# GOODWILL

*Transfer of goodwill of the firms of Chartered Accountants are permitted by the Institute subject to fulfillment of the following procedure :-*

- ❖ **Goodwill of a Proprietorship Firm can be purchased by a Chartered Accountant holding Full Time COP only within one year from the demise of the Proprietor**
  
- ❖ **The Documents required are**
  - **Copy of advertisement published in newspaper about intention to purchase and also stating that any objections to the same should be sent directly to the respective Regional office of ICAI**
  - **Copy of NOC obtained from legal heirs, on non-judicial stamp paper only.**
  - **Copy of Death certificate of the deceased member.**
  - **Draft sale deed between legal heir and the purchaser of the goodwill on non-judicial stamp paper only (certain money value should be compulsorily involved in Sale Deed)**
  - **Copy of Succession Certificate/Will/Legal heir certificate/Affidavit of Legal Heir(stating that**

# CONVERSION

- ❖ Conversion can be done from Partnership Firm to Limited Liability Partnership(LLP)
- ❖ Name approval must be obtained in Form 117
- ❖ After Name approval, ROC registration is to be done (Form 19 of ROC)
- ❖ Once the name of the LLP is registered with ROC, Converted Name registration must be applied in Form 18 in SSP
- ❖ The Head In-charge of the partnership firm can apply for the conversion to LLP.
- ❖ **The Documents required are**
  - Certificate of Conversion (Form 19 of ROC)
  - Filip Form (Form 2) of ROC
  - LLP Deed

# CONDONATION

❖ **Condonation may be applicable for all activities is as follows:**

- **Within 30 Days- No Condonation**
- **Within 31 to 60 Days- Rs.500+GST**
- **Within 61 to 180 days- Rs.1000+GST**
- **Within 181 to 365 days- Rs.2000+GST**
- **More than 365 Days- Rs.10000+GST**

❖ **For condonation case beyond 365 days, the following documents are required:**

- **Balance Sheet and Profit & Loss A/c of the Firm for the relevant period (As on date), duly authorized by any chartered accountant (other than partners of the firm) attested.**
- **ITR of the Firm for the relevant period (As on date), duly authorized by any chartered accountant (other than partners of the firm) attested.**
- **Complete MEF Form for the relevant period (As on date) for the joining partners**



- **Affidavit declaring that no undue advantage has been taken executed on Non-Judicial Stamp paper.**

**Note: No Condonation is applicable in case of Merger/Demerger/Sole Practice Firm Constitution and Sole Practice Firm Closure. In these cases, the application must be raised within 30 days**

## **SECOND OFFICE**

**A member who is incharge of Head office of the firm can also be incharge of the second office of the firm provided:**

- (a) the second office is located in the same premises in which the first office is located; or**
- (b) the second office is located in the same city in which the first office is located; or.**
- (c) the second office is located within a distance of 50 kms. from the municipal limits of a city in which the first office is located.**
- (d) A member is however required to inform the Institute and declare which of the two offices is his main office.**
- (e) In case Form 18 is not submitted to the Institute's office within the specified period formalities for Condonation of Breach of Regulation 190 may be certified**

# ADDRESS PROOFS

- ❖ **Any one of the following documents may be uploaded while applying for Firm Constitution/Branch or Head office Address Change/Opening of Branch office or second Office of Head office**
  - **Electricity/ Water/ Gas Bill not older than 3 months,**
  - **Property Tax Receipt**
  - **Rent Agreement (Should be in Stamp Paper and should not be expired, may be with nil rent**
  - **Bank Statement of not older than three months**
  - **GST Certificate**

**Note : Documents mentioned above may be in the name of Proprietor/Sole-Practitioner/Firm**

# MANAGEMENT CONSULTANCY SERVICES (MCS)

1. Member can retain full time CoP beside being the Managing Director/Whole-time Director/ Executive Director/Manager of MCS.
2. Member will be entitled to train articled/audit assistant(s) in its Chartered Accountant Firm/MDP.

## **Forms Required:**

- FORM G - Approval of name
- Incorporation Certificate from ROC
- FORM H – Signed by all partners (within 30 days from the date of approval of name from ICAI)

# NETWORK OF FIRMS

## **Forms Required:**

- FORM A - Approval of name
- FORM B - Registration with ICAI
- FORM C - Change in Constitution (within a period of 30 days)

# GENERAL

- ❖ In all applications of SSP, the Head Incharge need to raise application except in case of Removal of Partner and closure of Firm, where the retiring partner and any partner respectively can also raise the application.
- ❖ If any application is pending for any reason, then another application cannot be raised
- ❖ If OTP is not validated by all the partners involved in that activity, the application doesn't move to Regional Office(RO) and until then no action can be taken by RO
- ❖ If member is Branch In-charge of the Firm, he/she can raise leaving request only after change of in-charge of the said branch or closing the Branch office as the case may be
- ❖ Branch office can be opened anywhere in the world.
- ❖ Firm GST can be updated through Update Firm GST tab(GST Certificate to be mandatorily uploaded)
- ❖ Change in Branch Address should be within the same city
- ❖ **For User Manuals and navigation filing different forms please follow the link mentioned**

<https://www.icai.org/post/15755>