



# **ICAEW Code of Ethics Guidance: professional behaviour**

The 2025 version of the [ICAEW Code of Ethics](#) (ICAEW Code) introduces an important change to the application material within the fundamental principle of professional behaviour within subsection 115. This change is as follows:

***115.1 A2 ‘A reasonable and informed third party would expect that a professional accountant, in their professional life, treats others fairly, with respect and dignity and for example does not bully, harass, victimise, or unfairly discriminate against others.’***

The update was introduced to strengthen members’ understanding of their professional conduct obligations and addresses concerns raised in complaints about poor conduct among members in their professional lives.

## **Purpose of this guidance**

The purpose of this guidance is to clarify ICAEW’s expectations of a member’s conduct, both in their professional and personal lives and the types of behaviour that would fall within the scope of paragraph 115.1 A2. It also provides practical support by outlining the circumstances in which disciplinary action may be taken in our case studies and where you can access further resources, support and guidance.

## **Who this guidance applies to**

All references to ‘member’ and ‘Chartered Accountant’ in this guidance should be read to also include provisional members, foundation qualification holders, CFAB holders, and any other individuals who are subject to the ICAEW Code and other ICAEW Bye-laws and regulations.

## **Introduction**

The Chartered Accountancy profession was founded with a duty to act in the public interest and there is an expectation for members of the profession to exhibit higher standards of behaviour than ordinary members of the public. As such, Chartered Accountants must adhere to the requirements and guidance in the ICAEW Code and failing to do so may bring discredit to the profession.

This means that Chartered Accountants must uphold the ethical values enshrined in the five fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. It is crucial that Chartered Accountants act in a way that maintains public trust and confidence, and do not damage their own reputation or that of the profession. Subsection 115 of the ICAEW Code outlines the requirements for professional behaviour under its fifth fundamental principle. The wording in the 2025 ICAEW Code is as follows:

## SUBSECTION 115 – PROFESSIONAL BEHAVIOUR

R115.1 A professional accountant shall comply with the principle of professional behavior, which requires an accountant to:

- (a) Comply with relevant laws and regulations;
- (b) Behave in a manner consistent with the profession's responsibility to act in the public interest in all professional activities and business relationships; and
- (c) Avoid any conduct that the accountant knows or should know might discredit the profession.

A professional accountant shall not knowingly engage in any business, occupation or activity that impairs or might impair the integrity, objectivity or good reputation of the profession, and as a result would be incompatible with the fundamental principles.

115.1 A Conduct that might discredit the profession includes conduct that a reasonable and informed third party would be likely to conclude adversely affects the good reputation of the profession.

115.1 A2 A reasonable and informed third party would expect that a professional accountant, in their professional life, treats others fairly, with respect and dignity and, for example, does not bully, harass, victimise or unfairly discriminate against others.

R115.2 When undertaking marketing or promotional activities, a professional accountant shall not bring the profession into disrepute. A professional accountant shall be honest and truthful and shall not make:

- (a) Exaggerated claims for the services offered by, or the qualifications or experience of, the accountant; or
- (b) Disparaging references or unsubstantiated comparisons to the work of others.

115.2 A1 If a professional accountant is in doubt about whether a form of advertising or marketing is appropriate, the accountant is encouraged to consult with the relevant professional body.

R115.3 Professional accountants shall never promote or seek to promote their services, or the services of other professional accountants, in such a way, or to such an extent, as to amount to harassment of a potential client or employer.

## WHEN IS CONDUCT RELEVANT TO ICAEW AS A PROFESSIONAL BODY

As members of the Chartered Accountancy profession, an individual's conduct is always of potential relevance to ICAEW. As the ICAEW Code sets out, a member must comply with relevant laws and regulations and avoid any conduct that they know or should know might discredit the profession. A member's conduct could discredit the profession even if it takes place in a member's personal life, albeit that it would take more seriously poor conduct for personal life actions to discredit the profession.

Unprofessional behaviour is treated with the utmost seriousness, as it affects the individual's reputation, the integrity of the profession, and public confidence in ICAEW and its members. Additionally, it can erode trust in professional standards and damage client relationships.

Such conduct can encompass a wide range of actions and scenarios in the professional life of a Chartered Accountant. For example, bullying and offensive behaviour, physical or verbal abuse by a member towards a colleague, client or others, plagiarism or inappropriate sexual touching of a colleague or client in any geographic location or context.

In considering such cases we will always evaluate the available evidence to determine whether reports can be substantiated, and whether disciplinary action is appropriate. Evidence could include for example; written communications, recordings, medical evidence, complaint records, screen shots of social media posts or witness statements to corroborate reports.

## KEY PRINCIPLES UNDER PARAGRAPH 115.1 A2

### **Threshold for seriousness of conduct: Reasonable and Informed Third Party test**

The test for assessing the seriousness of any poor conduct is that which a Reasonable and Informed Third Party (RITP) would conclude brings discredit to the profession. The ICAEW Code explains that a "reasonable and informed third party" should possess the knowledge and experience to evaluate the appropriateness of a professional accountant's conclusions objectively and impartially. The RITP would also take into account the relevant context of a situation.

An explicit requirement of the fundamental principle of professional behaviour is to comply with relevant laws and regulations. Conduct that falls significantly below this standard in a member's professional life, is conduct that the RITP may conclude brings discredit to the member and/or the profession.

Under the RITP test, the stronger the link between a member's conduct and their professional role, the greater the likelihood that the behaviour could bring discredit to the profession. This is due to the connection between the conduct and the member's professional responsibilities.

### **Conduct likely to be of disciplinary interest**

Under Disciplinary Bye-law 4.1, members and firms may be subject to disciplinary action if they engage in conduct that could bring discredit to themselves, ICAEW, or the accountancy profession, or if they fall significantly short of the standards reasonably expected of them.

Each case is considered on its own merits, with careful evaluation of the facts and circumstances on a case-by-case basis. For disciplinary action to proceed, the conduct must be sufficiently serious to fall within ICAEW's regulatory remit and taking action must serve the public interest. Several key factors are considered to determine both the seriousness of the behaviour and whether the matter can be progressed based on the available evidence. These factors include:

- Seriousness of the misconduct, for example the impact or harm caused
- Potential to damage the profession's reputation
- Whether the conduct was discreditable, shameful or deplorable
- Evidential support for disciplinary action
- Criminal conduct whether in professional or personal life and/or any indictable criminal convictions.

### **Examples of conduct unlikely to be of disciplinary interest**

- A personal dispute between family members.
- An argument involving the use of offensive language that only takes place between friends in a private environment.
- Social media posts on a personal social media account where there is no identifiable link to the profession that express political opinions or views that are not offensive.
- Private employment matters or civil disputes.

When an allegation has been investigated, and it is determined to constitute a potential breach it will initially be referred to the Conduct Committee and potentially the Tribunals Committee. If the Committee upholds the allegation, it will consider the appropriate sanction in accordance with the key principles in [ICAEW's Guidance on Sanctions](#). This includes consideration of any aggravating or mitigating factors present in the case.

### **Professional vs Personal life**

To determine whether a member's conduct is relevant to ICAEW as a regulator, it is necessary to assess whether the behaviour occurred in their professional or personal life. This distinction is important because the standards of expected conduct differ between these two contexts. Poor conduct within a professional setting is far more likely to bring discredit to the profession compared to similar behaviour occurring in a member's personal life. This means that higher standards of behaviour are expected of members in their professional life. It should be noted however, that criminal convictions bring discredit regardless of whether they take place in a member's professional or personal life.

Paragraph 115.1 A2 applies to conduct that takes place in a member's '*professional life*'. This term is used to encompass a broad range of activities that link conduct in the life of a member to their profession as an accountant.

The CCAB Ethics Group offers useful [guidance](#) to help members understand the boundaries between personal and professional life. These boundaries can generally be understood as follows:

#### **Professional life**

Conduct will be treated as taking place in a member's *professional life* broadly if it occurs in contexts linked to a member's work or business practices, such as:

- in a work environment or during work time where the conduct relates to a colleague, client or third party
- at social event or in a private setting with colleagues or clients even at locations away from the office or client premises
- situations where the member identifies themselves as an accountant or is publicly representing the profession or their employer
- attending external conferences
- social media activity where the member's professional status is visible or identifiable.

However, in all cases when considering the boundaries between professional and private life, we will consider the specific context in which the conduct takes place. For example, the nature of the environment or event, the location, the reason any colleagues were present and the relationships between the parties.

### **Personal life**

It is also possible that a member's conduct in their personal life could bring discredit on the profession if it is seriously poor and therefore incompatible with the higher standards expected of a member of the Chartered Accountancy profession. The behaviour is usually relevant because of a specific connection to the Chartered Accountant's professional life.

However, for a member's conduct that takes place entirely in their personal life to bring discredit, it must be so serious that it is capable of damaging the reputation of the profession and/or diminishing public trust and confidence in the profession. In particular, a criminal conviction of a serious offence in an accountant's personal life will bring discredit, particularly as media reports may well make reference to the defendant's profession.

When assessing this, appropriate consideration will also be given to wider factors such as the member's right to a private life and freedom of expression, as well as the seriousness of the misconduct and any public protection or reputational risks.

Conduct is treated as being in a member's personal life if it is generally unrelated to a member's professional role and obligations. Factors that could be relevant in assessing whether a member's conduct occurs in their personal life includes where it involves:

- Personal relationships and interactions with family and friends.
- Activities during personal time with no professional context
- Social media posts where the member's professional identity is not apparent in their posts or their profile or other social media presence
- Private family holidays
- Private social events without professional connections.
- Time in evenings and at weekends where the member is not acting in a professional capacity and is not interacting with individuals with a link to the member's professional life.

### **Examples of behaviours**

To help members understand the conduct that ICAEW expects in their professional lives, paragraph 115.1 A2 sets out both positive expectations and non-exhaustive examples of unprofessional behaviour. A professional accountant, in their professional life:

***‘... treats others fairly and with respect and dignity and for example does not bully, harass, victimise, or unfairly discriminate against others.’***

While some terms may have legal definitions, they can also be understood more broadly in their ordinary or natural sense. For the purpose of this guidance, they are defined as follows:

**Fairly:** Demonstrates fairness, objectivity and impartiality in all professional dealings and in a way that maintains an ethical culture and public confidence in the profession. This includes handling complaints fairly.

**Respect and Dignity:** This is about valuing others and their contributions and perspectives to ensure they receive equitable treatment. It does not mean you cannot hold opposing personal opinions on issues; neither does it mean you cannot speak up, or challenge someone more senior, if you have concerns about their conduct.

**Bully:** While there is no legal definition of bullying in the UK, it is commonly understood as behaviour that intimidates or undermines someone. For example, bullying is associated with actions such as:

- spreading malicious rumours
- unfair treatment
- regularly undermining someone or picking on them
- unfairly or unreasonably denying training or promotion opportunities.

**Harass:** Harassment can be defined as any unwanted conduct that has the purpose or effect of violating a person's dignity or creating an intimidating, hostile, humiliating, or offensive environment within professional and workplace settings. In the UK, harassment is unlawful under Section 26 of the [Equality Act 2010](#). While legal definitions and protections vary across jurisdictions, ICAEW expects its members to uphold the highest standards of professional behaviour and respect in all interactions, ensuring that workplaces remain free from harassment. Members working internationally should be aware of the laws in their own jurisdiction while adhering to ICAEW's ethical framework.

**Victimise:** According to the [Equality and Human Rights Commission](#), victimisation is a type of discrimination. It occurs when someone is treated less favourably because they have or are thought to be involved in a 'protected act,' such as raising a discrimination or harassment complaint at work. ICAEW may also consider this term in a broader sense, for example in terms of suffering a detriment following a protected disclosure (whistleblowing), depending on the geographical jurisdiction a complaint arises in.

**Unfairly discriminate against others:** discrimination is when someone is treated 'less favourably' than someone else because of their 'protected characteristics,' for example the person's age, sex or disability. However, there are circumstances, where you can positively or fairly discriminate to help people with a protected characteristic, for example because they are under-represented in a type of work. This is known in the UK as 'positive action'. ICAEW is only concerned with unfair direct or indirect discrimination.

These negative behaviours are viewed seriously because they have the potential to undermine ethical cultures and the fundamental principles that underpin the profession. They are also particularly serious in a professional context because they can erode trust between colleagues and with clients and ultimately harm public trust in the profession.

## **Illegal conduct**

The ICAEW Code requires all members to comply with relevant laws and regulations. Engaging in criminal activity may lead to disciplinary action, with the severity of the offence playing a key role particularly in the case of indictable offences. Serious offences will amount to misconduct even if they do not touch on or relate to the profession.

Disciplinary Bye-law 4.1 states that a member will be liable to disciplinary action, regardless of whether they were a member at the time of the event(s) giving rise to that liability at point (e) if 'convicted of an indictable offence by a court of competent jurisdiction (or an equivalent offence outside England and Wales)'. Non-indictable offences may also breach other Disciplinary Bye-laws, particularly where the conduct discredits the individual, ICAEW, or the profession, or falls significantly short of professional standards.

When assessing whether a criminal conviction warrants a disciplinary sanction, the Conduct Department, along with the relevant ICAEW disciplinary committee or tribunal, will consider the specific facts of the case, including any aggravating or mitigating factors.

[Access ICAEW's Guidance on Sanctions](#)

## **Duty to report**

ICAEW members are expected to uphold the highest standards of practice and conduct. All members, firms, affiliates, and 'relevant persons' have a duty to report any event suggesting that they or another member, firm, affiliate, or 'relevant person' may be subject to disciplinary action.

The Duty to Report Misconduct is outlined in [Disciplinary Bye-law 6.1](#). It is important to report workplace misconduct because of the risk that it can lead to wider unethical behaviour that could have an impact on consumers, clients and the overall public interest. This includes for example, abusive or intimidating behaviour directed at employees, managers, clients or other third parties and inappropriate use of social media.

By reporting and addressing such behaviour it can help to:

- protect individuals from further harm or mistreatment
- uphold professional standards, integrity and ethical values
- encourage and promote an ethical and transparent culture
- reinforce trust in the profession.

[Access ICAEW's guidance on the Duty to Report Misconduct](#)



## CASE EXAMPLES AND ILLUSTRATIVE SCENARIOS

The following case studies illustrate types of behaviour that would and would not be of disciplinary interest to ICAEW. They are representative examples of typical scenarios we commonly see in conduct reports rather than actual cases. They are intended to help members understand the types of behaviour that may constitute poor conduct and lead to disciplinary action. Members are encouraged to use the examples to assess their own conduct in analogous circumstances.

### Case Study 1: A working trip abroad

During a week-long business trip abroad, Aisha, a partner at an accountancy firm, invites her team, including a junior colleague, Alex, out for dinner. After the dinner, Aisha privately invites Alex to her hotel room and makes repeated suggestive remarks, ignoring Alex's clear discomfort and refusal. Alex manages to leave but the following day, Aisha jokes about the incident in front of other colleagues, causing Alex further embarrassment.

Alex raises a complaint about Aisha's behaviour with their employer. Following an internal investigation the firm consider the matter may amount to sexual harassment and report the complaint to ICAEW [under Disciplinary Bye-law 6.1](#).

### Analysis

The Conduct Committee considers the evidence. Aisha asserts that the incident took place away from the office, in private and outside of work hours following a social dinner and is therefore not in breach of the ICAEW Code. She cites her intoxication as a mitigating factor and provides testimonials from colleagues who vouch for her general good character and behaviour.

The Committee does not accept that Aisha's conduct occurred in her personal life. The business trip context and the fact that Alex is a colleague link her behaviour to her professional life. Aisha and her team would not have been present at the meal had it not been for their working relationships. The power imbalance between Aisha, a partner, and Alex, a junior colleague, combined with their evident distress, makes the conduct particularly serious and Aisha more culpable.

As a partner, Aisha is expected to treat all team members with respect during the trip. Her unwanted sexual behaviour infringed Alex's dignity, and her actions the following day victimised them for refusing to engage. The fact that other colleagues witnessed her inappropriate behaviour further aggravates the discredit caused to Aisha and the profession. A Reasonable and Informed Third Party would likely view Aisha's actions as a failure to treat Alex with respect and dignity.

### Case Study 2: Inappropriate social media use

Benedict, a Chartered Accountant, uses his social media account for personal purposes and enjoys engaging in political debates with other platform users. His bio mentions his profession and the accountancy firm where he is employed. Benedict regularly comments about political issues in his posts and in comments to other users' posts. On several occasions over a period of a year, he makes highly inflammatory comments using derogatory stereotypes and language which are considered offensive by other platform users. The account is public, and users mention Benedict's professional status in the comments.



ICAEW receive several reports from social media users about the comments supported by screenshots of the posts. Benedict accepts that some users found his comments offensive and apologises. However, in mitigation he defends the posts as being made on his personal account, during personal time and amount to his freedom to express his legitimately held religious and political beliefs.

### Analysis

The Conduct Committee weigh up the evidence. There has to be a fair balance between respect of Benedict's private life and the public interest in the regulation of the profession. The Committee note that the comments were made frequently, and other users had expressed their public concern that they found them offensive. While it is not for ICAEW to regulate political opinions, in this case the language used could be considered by a Reasonable and Informed Third Party to be discriminatory and seriously offensive. Conduct in personal life which involves serious "moral turpitude" will be considered as giving rise to discredit under Disciplinary Bye-law 4.1a.

Even though Benedict made the comments in a personal capacity, by associating his professional status with his social media account, Benedict has linked the posts to his identity as a Chartered Accountant. A Reasonable and Informed Third Party would likely find these actions discrediting due to the public nature of the tweets and their offensive content which could reflect poorly on the profession. It should be noted however, that even without a clear connection to Benedict's professional life, threats of violence, racist abuse or dishonesty on social media are also likely to be considered serious enough to undermine confidence in the profession. Ethical obligations apply both online and offline.

### Case Study 3: Rude emails sent to colleagues

Collette, a manager at an accountancy firm, receives negative feedback from her supervisor about her team management style. Upset, Collette sends a series of late-night emails to her team criticising their performance. In one email, she singles out a specific team member, accusing them of incompetence. Collette's colleagues complain about her behaviour to HR. Before the investigation concludes, Collette resigns, citing stress and unfair treatment. After leaving, she sends an angry email to her former supervisor containing foul language. The firm report the matter to ICAEW [under Disciplinary Bye-law 6.1](#).

### Analysis

ICAEW's Conduct Department investigates the allegations, but Collette refuses to provide formal representations, citing unfair treatment and ongoing employment tribunal proceedings against her former employer. The case is referred to the Conduct Committee on the basis that Collette's behaviour was below the standards reasonably expected of an ICAEW member.

The Committee determines that the emails were sent in the context of Collette's professional role, as they involved work colleagues. They consider whether her behaviour brought discredit to the profession by breaching the requirements of professional behaviour, in particular due to the lack of respect shown to the colleague particularly where the email was copied to other work colleagues. The Committee notes that the language was unprofessional in the context of the expected standards of Collette's employer and undermined workplace relationships. The Committee also notes:

- The emails were sent on more than one occasion and therefore it was not an isolated incident;

- The foul language used demonstrated a lack of respect, even though the emails did not include threats or racist language.

Private employment or civil disputes do not automatically trigger disciplinary action. However, conduct considered in such disputes may breach the Code of Ethics and therefore will also be relevant for ICAEW. The Committee concludes that from a professional behaviour perspective, Collette's actions were serious enough that they undermine confidence in the profession and therefore warrant disciplinary action.

#### **Case Study 4: Inappropriate behaviour on holiday**

Dinesh, a Chartered Accountant, goes on holiday with friends and gets into a heated argument at a beachside bar. He raises his voice during the exchange, uses expletives and knocks over a chair. A bystander records part of the argument and posts it online. Later that evening, while intoxicated Dinesh breaks a lamp in his hotel room. Dinesh apologises to the hotel the next morning and offers to pay for the damage. The hotel accepts his apology and does not take any action against him. Although the clip of Dinesh arguing at the bar does not identify him, he decides to self-report his conduct to ICAEW.

#### **Analysis**

The term '*professional life*' in paragraph 115.1 A2 refers to conduct connected to a member's working life, such as interactions with colleagues or clients, or instances where the member identifies themselves as a Chartered Accountant. In Dinesh's case, while his behaviour was poor, it occurred entirely in his personal life. Chartered Accountants are expected to treat others fairly and with respect in their professional life, but Dinesh's actions had no connection to his professional identity or an accountancy context.

It is not clear whether the damage to the lamp was accidental, however crucially, the conduct was not so serious that it would be capable of damaging the profession's reputation or undermining public trust. Additionally, there is no evidence that Dinesh broke any laws or faced criminal prosecution which would result in a breach of the Disciplinary Bye-laws. As a result, no further action is taken.

#### **Case Study 5: Team building activity**

During an annual away day activity organised by his employer, Enrico, a senior manager, makes several inappropriate comments to colleagues and repeatedly targets a junior team member with jokes and personal remarks about their sexual orientation. This causes them visible discomfort. Following the event, several colleagues raise complaints about Enrico's conduct with their employer. Enrico's employer has identified non-compliance with laws and regulations under Section 260 of the ICAEW Code and reports the matter to ICAEW. Enrico admits to making the comments and expresses remorse but insists they were light-hearted and not intended to offend. He also argues that the event was a social occasion and not directly part of his professional role.

#### **Analysis**

The case is referred to the Conduct Committee who consider the evidence, including detailed witness testimony from Enrico's colleagues. While the event took place outside the office, it was a firm-organised activity, and Enrico attended in his capacity as a senior manager. The Committee are satisfied that the conduct took place in a professional context, discredits the profession and

falls significantly short of the standards reasonably expected of a member. This is because the Committee finds that Enrico's remarks were seriously offensive, given the personal and sensitive nature of the comments.

They also note that as he targeted a junior colleague in a public setting, it amounted to bullying behaviour. Overall, as a senior manager, Enrico's behaviour was unprofessional, caused serious embarrassment to his colleagues and undermined the trust they had in him. The Committee issue a disciplinary sanction, reminding Enrico of his responsibility to uphold respect, dignity, and fairness in all professional settings, including work-related social events.

## **FURTHER RESOURCES**

### **ICAEW guidance**

- [ICAEW's Duty to Report Misconduct](#)
- [ICAEW Guidance on Sanctions and the fixed penalty process](#)
- [ICAEW Ethics helpsheet: Ethics of a CA in business](#)

### **External guidance and support**

- [Equality and Human Rights Commission Guidance - terms used in the Equality Act](#)
- [CCAB Ethics Group guidance on boundaries of personal and professional life](#)
- [Acas: Dealing with problems at work](#)
- [Protect: Speak up stop harm - Whistleblowing Homepage](#)

### **Support for members**

- [ICAEW member firm website access](#)
- [ICAEW legal helpline](#)
- [caba: the charity for Chartered Accountants](#)