ICSI (MANAGEMENT AND DEVELOPMENT OF COMPANY SECRETARIES IN PRACTICE) GUIDELINES, 2023

As Amended upto 25th August, 2025

THE INSTITUTE OF
Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

The ICSI (Management and Development of Company Secretaries in Practice) Guidelines, 2023 approved and amended by the Council from time to time, as under:

Approved in 301st Meeting held on 6th September, 2023,

Amended in 312th (Annual) Meeting held on 8th - 9th October, 2024,

Amended in 315th Meeting held on 18th - 19th March, 2025,

Amended in 320th Meeting held on 25th - 26th July, 2025,

Amended in 321st Meeting held on 25th August, 2025.

CHAPTER VII
SCALE AND MANNER OF DETERMINATION OF FEES FOR PROFESSIONAL SERVICES

7.1 Introduction

(i) Company Secretaries in Practice (PCS) render various value added services to corporate, individuals and other entities under various statutes or on the basis of specific business/industry requirements. With a view to harmonize the diverse practices followed by PCS while determining and charging professional fees for rendering such services and to provide the guiding principles for fixing the fee, the Council of The Institute of Company Secretaries of India has issued these Guiding Principles on Scale and manner of determination of Fees for various Professional Services rendered by the Company Secretaries in Practice.

(ii) These principles *inter alia* provide for ways to ascertain the scope of various professional services and the principles for determination of fee in order to ensure transparency between the recipient of services and the PCS and also pave the way for a just and reasonable fees to be charged by professionals on the basis of their experience, expertise, exposure, operational costs, associated risks and the market forces.

7.2 Category and Area of Services - The various professional services rendered by a PCS may broadly be categorised as:

(i) Advisory or Consultancy,

(ii) Audit(s),

(iii) Attestation Services - Signing and Certification,

(iv) Representation/Appearances,

(v) Compliance Management Services

(vi) Specialised Services such as Insolvency Professional, Liquidator, Valuer, Arbitrator, Mediator, Scrutinizer, etc.

(vii) Any other service, as may be approved by the Council in terms of section 2(2) of the Act.

7.3 Guiding Principles for determination and charging of Fees

(i) The professional services may be provided to the recipient of services on a retainer basis or for a standalone project, which may be taken up either on lump-sum or time-based payment.

(ii) A standalone project based fee, which may be time based or lump-sum payment, may be preferred when the professional service is concentrated in a particular area or project and has definite time of completion of project or deliverables.

(iii) The PCS may charge professional fee for their services on any of the following basis:

a) **Time Rate (Hourly/Daily),** which shall be expected time value of money for professional services.

b) **Monthly Retainer fees,** which shall be equivalent to time devoted by PCS and his team and expertise of the professional comparable to and should not be less then monthly remuneration of the professional, if he would have been employed as an employee at such position in the said Company.

c) **Project based rate,** which may be calculated on basis of time required or expertise to complete an assignment.

Provided that the PCS shall in no case charge or offer to charge, accept or offer to accept, in respect of any professional service, the professional fees which are based on a percentage of profits or which are contingent upon the findings, or result of such employment, except as permitted under any regulation made under Act, failing which a Company Secretary in Practice shall be deemed to be guilty of professional misconduct.

(iv) Before accepting any professional assignment, it shall be the responsibility of the PCS to ascertain skill sets, infrastructure at his disposal or have some association or arrangement to meet the said skill set or competence or infrastructure for efficient delivery of services.

(v) The fees and costs charged by PCS shall always be transparent and a reasonable reflection of the work necessarily and properly undertaken. The PCS may consider the following factors while determining the quantum of fee to be charged:

a) complexity of the assignment;

b) time required to complete the assignment;

c) Risks associated with the assignment;

d) Skill, competence or area of expertise required to undertake and complete the assignment;

e) direct and indirect expenses, including overheads;

f) opportunity cost analysis;

g) fee usually charged by fellow professionals for similar assignment;

h) time limitations (deadline) imposed by the client;

i) the experience, reputation and seniority of the PCS, specifically for services relating to advisory or opinions;

j) limit on charging of fees under the statute (if any).

(vi) Every PCS shall internally frame and adopt a policy for determination of fees which may prescribe the following:

k) Minimum base fee for various professional services handled by the PCS;

l) Hourly rate for Proprietor or lead Partner of the firm and also for other Partners, Associates and other employees as per their designation.

m) Criteria to add mark-up on the base fee considering expertise, skill of the team or Partner of the firm, who is proposed to be engaged;

n) Invoicing and payment cycle including percentage of advance payment, if any;

o) Terms of payment, stages and timeline for payment;

p) Changes for office hours spent in travelling;

q) Collection of GST, wherever applicable.

(vii) The PCS shall not respond to any tender issued by an entity or user of professional services in areas of services which are exclusive domain of Company Secretaries in practise recognised through any

Act, rules, regulations or guidelines for signing, audit and Attestation Services unless such tender document provides for minimum fee for the assignment.

(viii) In order to ensure transparency in professional fees or cost for any professional services, the PCS shall before undertaking the assignment, either enter into terms of engagement prescribing professional fees or inform the Appointing Authority/Client beforehand about their professional fees and terms of payment. This will enable the customers to know the rates in advance, stage of payment and total cost of services. With regard to terms of appointment and engagement, the provisions of the ICSI Auditing Standards on Audit Engagement (CSAS-1) shall *mutatis-mutandis* apply to all professional engagements.

(ix) The terms of engagement for professional services shall inter-alia provide:

a) The objective and scope of the engagement;

b) The reference to the law, if any;

c) Documents or written representations, if any to be provided by the Management to the PCS;

d) The estimated time period within which the assignment is to be completed by the PCS, along with milestones, if any;

e) The commercial terms regarding audit fees and reimbursement of expenses in connection with the assignment;

f) Limitations, if any.

(x) The PCS must submit to the Client, an estimate of:

a) the scope of work he proposes to undertake;

b) the basis on which he proposes to charge fee;

c) the total fee he proposes to charge;

d) the manner in which he proposes to be paid including advances; and

e) the total costs he believes will be incurred.

(xi) In addition to the fee, the PCS can charge necessary and reasonable

direct costs for reimbursement of out of pocket expenses. However, PCS should ensure that the out of pocket expenses incurred by him are reasonable. In order to determine the reasonability of such expenses, PCS should consider if the expenses are:

a) directly related to the service(s);

b) in furtherance of the exercise of the functions, professional standards and the terms of engagement;

c) determined on an arms' length basis, in consonance with the requirements of integrity and independence; and

d) in consonance with his duties under the Act and the Regulations

(xii) The PCS should provide the details of any work that is intended to be sub-contracted out (if any) which would normally be carried out by the PCS and an explanation of why it is being done.

(xiii) The PCS must maintain written records to demonstrate full details of the work done and its correlation to the fee charged.

7.4 Immunity

The PCS shall be at liberty to determine his own scale of fees for rendering professional services. This guidance shall be treated as guiding principles while fixing the fees and process for determination of professional fees. The PCS shall not incur any liability under the Code of Conduct as laid down under Schedule I & II of the Act and the Regulations framed thereunder unless the conduct is a misconduct under any other provisions of the Act, Rules and Regulations.