

## **Professional misconduct: FinMin fiat to banks**

The Finance Ministry has asked state-owned banks and insurance companies to take up the issue of misconduct by professionals such as advocates and chartered accountants with their regulating bodies such as the ICAI.

The Ministry has issued the directive to heads of public sector banks, financial institutions and insurance companies on an observation made by the Central Vigilance Commission (CVC). “Banks and insurance companies should approach the professional bodies with complaints of professional misconduct ...for suitable action,” the Ministry said.

The professional bodies mentioned in the communication include, the Bar Council of India, the ICAI, the ICWA and the Institute of Engineers.

The CVC had observed that “it has come to light that the professionals empanelled by banks\insurance companies, namely, advocates, engineers\valuers, chartered accountants and surveyors are sometimes involved in unfair practices, including false\distorted reports which ultimately lead to distressed assets of the banks or unfair claims settled in insurance companies.”

While fixing up accountability, the maximum that banks can do is to de-panel such professionals to future assignments.

The Ministry has asked public sector banks, FIs and insurance companies to insert an “enabling clause” in the tenure of appointment or engagement of professionals.

*(The Hindu)*