NOCLAR [Non-Compliance with Laws & Regulations]

CA
- (Practice) CA in P → client
- (Job) Service → Employer

} Found "NOCLAR"

Q1. What is NOCLAR? Act of omission (TDS deposit) or commission (Delay)
- Intentional / unintentional
- Contrary to LR.

Q2 Who did NOCLAR? · client / employer → employees / mgt / TCWG

Q3 What CA has to do? [client / employer (Listed) → Insider Trading] Prohibited SEBI Act A92

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1. Obtain understanding of matter
2. Address the matter
3. Seeking Advice
4. Whether further Action is reqd.
5. Disclose to Appropriate Authority ?
6. Imminent Breach (Serious consequences financial (penalty) / non financial (Badnaami))

7. Documentation

8 & 8 Auditor

- How mgt & TCWG responded to matter.
- Course of Action of Accountant + Judgment + Decisions

- How Accountant is Satisfied? [public responsibility fulfilled]

Imp

4. **Applicability**

CA
- Practice → "Audit" of LISTED co in RSE in India [Net worth ≥ 250 cr]
- Job → Senior Prof. Accountant [Directors, officers, Sr. employees] of listed company — KMPs

5. Is personal misconduct [unrelated to Business] a NOCLAR?
No.

6. Eg. of NOCLAR
- Banking & other financial services → Securities market & insider trading
- Fraud | corruption | Bribery
- Money laundering, terrorist financing

7. Exceptions: what not to disclose?
- Contrary to law
- Personal misconduct

Q	SA 250 vs. NOCLAR

	SA250	NOCLAR
1. Applicability	Audit of F.S.	Professional Accountants (Service/Practice)
2. Types of laws	Direct effect on FS & other laws affect operations.	Similar to SA250 + non-compliances · cause substantial harm (financial/non-financial terms)
3. Disclosure	—	In exceptional circumstances, when CA becomes aware of imminent breach → Discuss (mgt & TCWG) + → Disclose appt. auth
4. Stakeholders	Not defined	Investors, crs, employees, & general public