

CHAPTER 27:02

CHARTERED ACCOUNTANTS ACT

Ords 14/1917, 4/1918; Acts 14/1928, 37/1938 (s. 3), 28/1964, 47/1969, 39/1973 (s. 52), 13/1995, 22/2001 (s. 4), 8/2004. R.G.N.s 386/1964, 124/1974, 362/1980.

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AN ACT to incorporate the Institute of Chartered Accountants of Zimbabwe; to provide for the registration of chartered accountants in Zimbabwe; and to provide for matters connected with or incidental to the foregoing.

[Date of commencement: 11th January, 1918.]

1 Short title

This Act may be cited as the Chartered Accountants Act [*Chapter 27:02*].

2 Interpretation

In this Act—

“by-laws” means by-laws made in terms of section *twenty*;

“chartered accountant” means a person registered as such in terms of section *eight*;

“Council” means the council of the Institute;

“Institute” means the Institute of Chartered Accountants of Zimbabwe incorporated in terms of section *three*;

“Minister” means the Minister of Justice, Legal and Parliamentary Affairs or any other Minister to whom the President may, from time to time, assign the administration of this Act;

“Register” means the Register of Chartered Accountants referred to in section *seven*;

“student accountant” means a person training under a chartered accountant or a firm of chartered accountants to qualify as a chartered accountant.

3 Incorporation of the Institute of Chartered Accountants of Zimbabwe

The persons registered as hereinafter provided are hereby constituted and incorporated into one body corporate by the name of “The Institute of Chartered Accountants of Zimbabwe”, with perpetual succession and the right to use a common seal and to sue and be sued in its corporate capacity, and the said body corporate shall be capable in law of taking and holding any real or personal property for the benefit and purposes of the Institute, with power to dispose thereof but so that the Institute shall apply its profits or other income in promoting the objects of the Institute and shall not at any time pay any dividends to its members.

4 Objects of Institute

The objects of the Institute shall be—

- (a) to establish and maintain the Register;

- (b) to conduct examinations or to take such other steps as may be necessary to ascertain in terms of this Act whether persons are qualified to be admitted to the Register;
- (c) to take such legal proceedings or make such application to courts of law as may be necessary to recover any moneys due to the Institute by any person or member, whether the same is in respect of arrear subscriptions or otherwise;
- (d) to encourage the study of accountancy by the members of the Institute, by student accountants, and by other students, and for that purpose to promote information and education on accountancy matters by lectures, classes, discussion, books, correspondence, examinations and otherwise, and to make donations, and to give certificates, bursaries, scholarships and rewards upon such terms and conditions as may from time to time be prescribed by the Council;
- (e) to form, support and maintain a library or libraries and reading rooms for the use of the members of the Institute and students;
- (f) to acquire any rights or privileges which the Institute may regard as necessary or convenient for the purpose thereof, and to make donations for promoting the interests of the chartered accountants' profession;
- (g) to establish and support or aid in the establishing and supporting of associations, funds, trusts and conveniences calculated to benefit the members of the Institute, or their dependants or connections, and from any special funds accumulated thereby to grant pensions and allowances to any member of the Institute or his dependants or connections;
- (h) to purchase, take on lease or in exchange, hire or otherwise acquire any movable or immovable property, and to erect any buildings required for the purposes of the Institute;
- (i) to invest moneys of the Institute not immediately required upon such securities as may from time to time be determined by the Council, and also to vary such investments;
- (j) to raise or borrow money in such a manner as the Institute may think fit, and in particular by mortgage bonds or by the issue of debentures secured by mortgage bonds upon all or any of the property of the Institute, both present and future;
- (k) to sell, improve, lease, mortgage, dispose of or otherwise deal with all or any part of the property of the Institute;
- (l) to represent the views of the chartered accountants' profession; to preserve and maintain its integrity and status; to take any steps which may be thought necessary to suppress dishonourable conduct and practices by the members of the chartered accountants' profession, and for this purpose to hold inquiries into the conduct of members; to provide for the amicable settlement or adjustment of professional disputes; and to consider and deal with all matters affecting the professional interests of members of the Institute;
- (m) to promote or assist in promoting legislation which may be considered to be of advantage to the Institute, and to oppose any legislation which may be considered prejudicially to affect the interest or status of the Institute or its members;
- (n) to do all such other things as are incidental or conducive to the attainment of the above objects.

5 General meetings

(1) There shall be held once in each year, within six months from the 31st December, a general meeting of the Institute, at which every member of the Institute who is not in arrear with any subscription or sum payable by him to the Institute shall be entitled to be present and to vote. The quorum for such general meeting shall be fixed by the by-laws.

(2) Any question to be decided at such meeting shall be decided by a majority of the members present in person or by proxy.

(3) The Council shall prepare as at the 31st December in each year a balance sheet and a revenue and expenditure account of the Institute, and shall submit such accounts duly audited to the Institute at such general meeting for discussion and approval. The officers of the Institute shall be elected annually at this meeting.

(4) It shall be lawful for any member or members of the Institute at such meeting to move any resolution which is not inconsistent with the purposes and provisions of this Act:

Provided that no member or members shall have the right to introduce to such meeting or submit for discussion by such meeting any act done by the council in pursuance of the power conferred by paragraph (c) of section six or sections *thirteen to eighteen*.

[Paragraph amended by Act 8 of 2004]

6 Powers of Council

The Council shall have power to do each and all of the following acts—

- (a) to manage and superintend the affairs of the Institute;
- (b) to appoint and remove any officers and employees of the Institute, and to determine the duty, salary and remuneration of the same;
- (c) to determine the qualifications for registration in terms of this Act;

- (d) to determine syllabuses for and to hold, either by itself or through examiners, examinations to qualify student accountants for registration in terms of this Act;
- (e) to grant certificates to persons who have passed the examinations referred to in paragraph (d);
- (f) to consider and grant or refuse applications from persons seeking exemption from any examination or any part thereof;
- (g) to appoint committees for such general or specific purposes as it considers necessary or desirable and, subject to any conditions it may fix, to delegate to any such committee any of its functions under this Act;
- (h) generally to exercise all the powers of the Institute except such powers as expressly reserved by this Act to the Institute in general meeting.

7 Register

(1) Subject to this Act, the Council shall continue to keep and maintain the register of members which it kept prior to the 31st December, 1995.

(2) The Register shall be known as the Register of Chartered Accountants.

(3) The Register shall be kept at the Institute's offices and shall be open to inspection during office hours by any member of the public upon payment of the fee, if any, prescribed in by-laws.

(4) The Council shall—

(a) cause to be entered in the Register—

(i) the name of every person entitled to be registered in terms of this Act;

(ii) such other particulars relating to registered persons as may be prescribed in by-laws;

(b) cause such alterations to be made in the Register as may from time to time be necessary by reason of any change in the name or other particulars of a registered person;

(c) cause to be deleted from the Register the name of any registered person on the death of that person or when required to do so by or in terms of this Act.

(5) The Council shall issue to every person whose name is entered in the Register a certificate in the form prescribed in by-laws specifying that the person concerned is registered.

8 Registration of chartered accountants

(1) Any person who wishes to be registered as a chartered accountant shall apply, in writing, to the Council and shall submit such evidence of his qualifications for registration and of his identity and his good character and reputation as the Council may require.

(2) The Council shall register an applicant who is qualified for registration as a chartered accountant unless, in its opinion, the applicant is not a fit person to be registered by reason of the fact that he is not of good character and reputation or has not an adequate knowledge of the English language.

(3) Every chartered accountant shall become a member of the Institute upon his name being entered in the Register and shall remain a member for so long as he remains registered.

9 Registration fees

No person shall be placed upon the Register until he has paid such registration fees as are fixed by the Council.

10 Right of appeal to High Court

Any person who considers himself aggrieved by any decision of the Council under section *eight* shall have the right of appeal to the High Court.

11 Use of designation "Chartered Accountant (Zimbabwe)"

A member of the Institute shall be entitled to use the designation "Chartered Accountant (Zimbabwe)", "Chartered Accountant (Z)" or "C.A.(Z)".

12 Offences

(1) For the purposes of this Act, any of the following acts or omissions by a member of the Institute shall be treated as disgraceful conduct—

(a) allowing any person not being a member of the Institute or in partnership with himself as a chartered accountant to practise in his name as a chartered accountant;

(b) directly or indirectly allowing a legal practitioner, broker or auctioneer, or other principal or agent not being his partner, to participate in the profits of his profession:

Provided that nothing in this Act shall be construed to prevent a chartered accountant from carrying on any other business in addition to that of accountancy which is not considered by the Council to be derogatory to the status of the Institute;

(c) signing accounts, statements, reports or other documents purporting to represent any accountancy work performed by himself, which work has not been carried on under his personal supervision or direction;

- (d) directly or indirectly paying any person a commission for bringing him accountancy work, giving any person monetary or other consideration as a remuneration for bringing him such work or inducing other persons to give him such work;
- (e) improperly obtaining or attempting to obtain work;
- (f) performing any work in connection with any matter which is the subject of dispute or litigation upon condition that only in the event of the said dispute or litigation ending favourably for the party for whom the work is performed shall payment be made for such work;
- (g) conducting himself dishonourably;
- (h) wilfully contravening any by-law, rule or order made in terms of section *twenty* regarding any point of professional conduct or practice;
- (i) engaging in any practices or performing any acts similar to those practices and acts prohibited in the foregoing paragraphs.

(2) Nothing in subsection (1) or in any by-law, rule or order referred to in paragraph (h) of that subsection shall be construed as precluding the Council from—

- (a) holding an inquiry into an allegation of disgraceful conduct which is not an act or omission referred to in that subsection; and
- (b) exercising the powers conferred upon the Council by sections *thirteen* to *eighteen* in relation to a member of the Institute found guilty by the Council of such disgraceful conduct.

13 Cancellation of registration and suspension from practice

(1) If, after inquiry, the Council decides that a member of the Institute—

- (a) is not qualified to remain registered; or
- (b) has been guilty of disgraceful conduct or negligence in his capacity as a chartered accountant, which conduct or negligence warrants his suspension from practice or the cancellation or suspension of his registration;

the Council shall notify the member, in writing, of its decision and of the reasons for its decision.

(2) If a member who has been notified of a decision of the Council referred to in subsection (1) fails to lodge notice with the Council, within thirty days of the date on which he is notified of the decision, of his intention to appeal to the High Court or, having lodged an appeal with the High Court, withdraws or abandons his appeal, the Council shall cancel or suspend his registration and shall cause an appropriate entry to be made in the Register.

14 Exercise of disciplinary powers by Council

If, after inquiry, the Council decides that a member of the Institute has been guilty of disgraceful conduct or negligence in his capacity as a chartered accountant which does not warrant the cancellation or suspension of his registration, the Council shall do one or more of the following—

- (a) make an order such as is referred to in subsection (3) of section *sixteen*;
 - (b) impose a penalty, not exceeding an amount equivalent to a fine of level six which shall be payable to the Institute;
- [Paragraph amended by section 4 of Act 22 of 2001]
- (c) censure him;
 - (d) caution him.

15 Exercise of disciplinary powers by Council on conviction for offence: court to forward evidence

(1) A member of the Institute who has been convicted inside or outside Zimbabwe, whether before or after registration, of an offence by a court of law shall be liable to be dealt with by the Council in accordance with the provisions of section *thirteen* or *fourteen* if the Council is of the opinion that the offence constitutes disgraceful conduct.

(2) The Council may, if it thinks fit on proof before it of a conviction referred to in subsection (1) and without hearing further evidence, deal with the convicted person in accordance with section *thirteen* or *fourteen*:

Provided that the convicted person shall be afforded an opportunity of tendering, in writing or in person as he may elect, an explanation to the Council in extenuation of his conduct.

(3) Whenever, after the termination of proceedings before a court in Zimbabwe, it appears to the court that there is *prima facie* evidence of disgraceful conduct on the part of a chartered accountant, the court shall direct that a copy of the record in the proceedings or a copy of such portion of the proceedings as is material to the issue shall be transmitted to the Council.

16 Inquiries by Council

(1) The Council shall have power to hold inquiries for the purposes of this Act and for such other purposes as the Minister may approve.

(2) The powers, rights and privileges of the Council in an inquiry shall be the same as those conferred upon a commissioner by the Commissions of Inquiry Act [*Chapter 10:07*], other than the power to order a person to be

detained in custody, and sections 9 to 13, 15 and 16 of that Act shall apply, *mutatis mutandis*, in relation to an inquiry and to a person summoned to give evidence or giving evidence at that inquiry.

(3) The Council shall have power to order a member of the Institute whom the Council decides, after inquiry—

(a) is not qualified to remain registered; or

(b) has been guilty of disgraceful conduct or negligence in his capacity as a chartered accountant;

to pay the expenses of holding the inquiry and any expenses incidental to the inquiry or any part of those expenses.

(4) The Council shall, in any inquiry held by it in terms of this section, record the proceedings including any evidence heard by it and the decision made by it and the reasons therefor.

17 Appeals

(1) Any person who is aggrieved by—

(a) a decision of the Council referred to in subsection (1) of section *thirteen* or section *fourteen* that he—

(i) is not qualified to remain registered; or

(ii) has been guilty of disgraceful conduct or negligence in his capacity as a chartered accountant;

or

(b) the action taken against him by the Council in terms of paragraph (b), (c) or (d) of section *fourteen* or an order made by the Council in terms of subsection (3) of section *sixteen*;

may, within thirty days of the date on which he is informed of the decision of or the action taken or order made by the Council, as the case may be, lodge notice with the registrar of the High Court of his intention to appeal therefrom.

(2) In determining an appeal in terms of subsection (1), the High Court may confirm, vary or set aside any decision of or action taken by the Council referred to in subsection (1) and made an order accordingly.

(3) An order in terms of subsection (2) may include such order as to costs as the High Court thinks fit.

18 Recovery by Council of fine or costs

The Council may by action in a competent court recover any penalty imposed in terms of section *fourteen* on, or costs ordered in terms of subsection (3) of section *sixteen* to be paid by, a member of the Institute.

[Paragraph amended by section 4 of Act 22 of 2001]

19 Persons having no claim against assets of Institute

No claim against the assets of the Institute shall exist in the case of or be made by any person whose name has ceased to appear upon the Register, or by the executors, administrators, heirs or assigns of such person.

20 By-laws

(1) Subject to this section, the Council may make by-laws prescribing any matter which, in terms of this Act is required or permitted to be prescribed or which, in the Council's opinion, is necessary or convenient to be prescribed for giving effect to this Act.

(2) By-laws made under subsection (1) may provide for—

(a) the form and manner in which applications for membership of the Institute shall be made;

(b) qualifications for registration as a chartered accountant;

(c) fees payable for registration, the sitting of examinations and other things issued or done under this Act, and the times for payment of such fees;

(d) the time, mode and place of summoning and holding ordinary and special general meetings and the quorum thereat, and the mode of voting and the conduct of proceedings at any such meetings and the adjournment thereof;

(e) the procedure at meeting of the Council and the quorum thereat;

(f) the composition of the Council and the terms of office of its members, the mode of nomination of members of the Institute for election to the Council and the mode of filling casual vacancies on the Council;

(g) the training of student accountants by members of the Institute, and the circumstances in which their training contracts may be cancelled or suspended;

(h) the conduct of examinations for applicants for membership of the Institute, the syllabuses for such examinations, and the conditions on which examiners shall hold office and their remuneration;

(i) the election or appointment of the president and two vice-presidents of the Council;

(j) the issue by means of notices to members of the Institute, of rules or orders regarding professional conduct or practice with which, in the opinion of the Council, such members of the Institute should comply;

(k) generally, the furtherance of the objects of the Institute.

(3) By-laws made under section (1) may prescribe penalties, not exceeding a fine of level six, for contravention thereof.

[Subsection amended by section 4 of Act 22 of 2001]

(4) By-laws shall not be made under subsection (1) unless they have been approved by a majority of two-thirds of the members of the Institute present in person or by proxy at a general meeting called for the purpose.

(5) By-laws made under subsection (1) shall not have effect until they have been approved by the Minister and published in a statutory instrument.

21 Penalty for unauthorized use of certain designations

(1) Any person who, not being a member of the Institute—

- (a) describes himself or holds himself out as a chartered accountant or uses any name, title, addition or description or letters indicating that he is a chartered accountant, whether by advertisement, by description in or at his place of business or residence, or in any document or otherwise; or
- (b) uses the designation “Chartered Accountant (Zimbabwe)”, “Chartered Accountant (Z)” or “C.A.(Z)”; or
- (c) uses the designation “Chartered Accountant” or the initials “F.C.A.” or “A.C.A.” or “C.A.”, either alone or in combination with any other words or any name, title or description unless he is a member of an institute, society or other body the membership of which is prescribed in terms of by-laws as a qualification for registration as a chartered accountant, whether by itself or in conjunction with other qualifications and which authorizes its members to use such designations or initials;

shall be guilty of an offence and liable—

- (i) on a first conviction, to a fine not exceeding level six or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment;
- (ii) on a second or subsequent conviction, to a fine not exceeding level seven or to imprisonment for a period not exceeding two years or to both such fine and such imprisonment.

[Paragraph amended by section 4 of Act 22 of 2001]

(2) A person who has been suspended from membership in terms of this Act shall, for the purposes of this subsection, be regarded as not being a member of the Institute during the period of such suspension.