



ZIMBABWE

ACT

To amend the Public Accountants and Auditors Act [*Chapter 27:12*]; and to provide for matters connected therewith or incidental thereto.

ENACTED by the Parliament and the President of Zimbabwe.

1 Short title

This Act may be cited as the Public Accountants and Auditors Amendment Bill, 2014.

2 Amendment of section 2 of Cap. 27:12

Section 2 ("Interpretation") (1) of the Public Accountants and Auditors Act [*Chapter 27:12*] (hereinafter called "the principal Act") is amended—

- (a) by the repeal of the definitions of "constituent body", "Minister", "Register" and "registered" and the substitution of—

““constituent body” means a principal constituent body or an associate constituent body;

“Minister” means the Minister of Finance or any other Minister to whom the President may, from time to time, assign the administration of this Act;

“Register” means a Register established in terms of section 19;

“registered” means registered in a Register;”;

- (b) by the insertion of the following definitions—

““accountancy profession” denotes the occupation of those persons registered as general accountants, tax accountants, public accountants or public auditors;

“associate constituent body” means a body specified in Part II of the Second Schedule that represents general accountants and tax accountants;

“general accountancy services” means the services of recording, reporting, and analysis of financial statements, financial transactions, books, accounts or records, but does not include—

- (a) the auditing of those statements, transactions, books, accounts or records;
- (b) the services referred to in paragraph (a) of the definition of “tax accountancy services”;

“general accountant” means a person who, upon registration as a general accountant, is qualified to offer for hire or reward general accountancy services to any person, other than to a public company or statutory body;

“prescribed” means prescribed by by-laws or by regulations, whichever is appropriate to the context;

“principal constituent body” means a body specified in Part I of the Second Schedule that represents public accountants and public auditors;

“public accountancy services” means all the services that a general accountant and a tax accountant may offer for hire or reward, but does not include auditing services;

“public accountant” means a person who, upon registration as a public accountant, is qualified to offer for hire or reward public accountancy services to any person, including a public company or statutory body;

“public auditor” means a person who, upon registration as a public auditor, is qualified to offer for hire or reward auditing services and public accountancy services to any person, including a public company or statutory body;

“regulations” means regulations made by the Board in terms of section 44;

“revenue law” means an Act specified in the First Schedule to the Revenue Authority Act [*Chapter 23:11*];

“tax accountant” means a person who, upon registration as a tax accountant, is qualified to offer for hire or reward general accountancy services and tax accountancy services to any person, other than to a public company or statutory body;

“tax accountancy services” means—

- (a) the preparation, submission and certification of a tax return or other return in terms of any one or more of the revenue laws;
- (b) the doing of any other thing required to ensure compliance with a revenue law.”.

3 Amendment of section 3 of Cap. 27:12

Section 3 of the principal Act is repealed and the following is substituted—

“3 Constituent bodies

- (1) The bodies specified—
 - (a) in Part I of the Second Schedule are principal constituent bodies; and
 - (b) in Part II of the Second Schedule are associate constituent bodies.
- (2) The Minister may, on the recommendation of the Board—
 - (a) declare that any body of persons established in Zimbabwe to advance the interests of—
 - (i) public accountants or public auditors shall be a principal constituent body; or
 - (ii) general accountants or tax accountants shall be an associate constituent body;
 - (b) declare that any constituent body whose standards have, or membership has, fallen to a level which, in the opinion of the Board, no longer justifies its continued existence as a constituent body, shall cease to be a constituent body;
 - (c) amend the Second Schedule by notice in a statutory instrument—
 - (i) to give effect to a declaration in terms of paragraph (a) or (b) by adding to or deleting from the Schedule the name of the constituent body concerned; or
 - (ii) change the name of a constituent body at the request of such body communicated in writing through the Board.”.

4 Amendment of section 5 of Cap. 27:12

Section 5 (“Functions of Board”)(1) of the principal Act is amended by the repeal of subsection (b) and the substitution of—

“(b) to maintain the Registers;”.

5 New section substituted for section 6 of Cap. 27:12

(1) Section 6 of the principal Act is repealed and the following section substituted—

“6 Membership of Board

(1) The Board shall consist of members appointed by the constituent bodies in terms of this section.

(2) Subject to subsection (3), each principal constituent body shall appoint two persons, and each associate constituent body shall appoint one person, who are qualified for membership in terms of section 7.

(3) The membership of the Board must reflect a ratio of three members appointed by principal constituent bodies for every two members appointed by associate constituent bodies; to that end—

- (a) the secretary of the Board may disallow any nomination or invite any additional nomination to maintain that ratio, but in so doing the Secretary must ensure that every constituent body is represented on the Board;

- (b) the question of which nomination is to be disallowed for the purposes of this section or which constituent body is to make any additional nomination is to be settled by consensus among the principal constituent bodies or associate constituent bodies (whichever group of constituent bodies is affected by the secretary's action); in the absence of such consensus, the secretary must decide the issue by lot in the presence of authorised representatives of the constituent bodies concerned.

(4) A constituent body may appoint an alternate to any member appointed by it, and an alternate member—

- (a) shall act as a member only when the member to whom he or she is alternate is for any reason unable to exercise his or her functions on the Board; and
- (b) when acting as a member, shall exercise the functions of the member to whom he or she is alternate:

Provided that the alternates to the chairperson and vice-chairperson of the Board shall not exercise the functions of chairperson or vice-chairperson, as the case may be.

(5) As soon as possible after appointing a member or an alternate member to the Board, a constituent body shall inform the secretary of the Board, in writing, of the name and address of the member or alternate member so appointed.

(6) Subject to subsection (7), in making appointments to the Board every constituent body must keep in mind that the Board must as far as possible be equally representative of both genders, and for that purpose—

- (a) each principal constituent body must endeavour to appoint a man and a woman to the Board;
- (b) the secretary of the Board may list associate constituent bodies alphabetically and require the first listed body to appoint a member of a particular gender and the next listed one to appoint a member of a different gender, and so on down the list;
- (c) any alternate of a member must be of the same gender as the member of whom he or she is the alternate.

(7) If the secretary of the Board is satisfied, on written representation made to him or her by the principal constituent body or associate constituent body concerned at the time when it is required to make any nomination, that there is a scarcity of suitable candidates of a particular gender, the secretary shall disregard the provisions of subsection (6) to the extent necessary to enable the body to make the nomination concerned.”.

(2) Subsection (6) of the section 6 of the principal Act as substituted by this Act shall not apply so as to require any member of the Board as it existed on the date of commencement of this Act to vacate his or her office.

6 Amendment of section 8 of Cap. 27:12

Section 8 (“Terms and conditions of office of members”) of the principal Act is amended by the insertion after subsection (5) of the following subsection—

“(6) A member may be reappointed, but no member may serve more than two consecutive terms.”.

7 New Part substituted for Part III of Cap. 27:12

Part III of the principal Act is repealed and the following Part is substituted—

“PART III

REGISTERS AND REGISTRATION

19 Registers of Public Auditors, Public Accountants, Tax Accountants and General Accountants

(1) The Board shall establish the following registers—

- (a) the Register of Public Auditors; and
- (b) the Register of Public Accountants; and
- (c) the Register of Tax Accountants; and
- (d) the Register of General Accountants; and
- (e) a register, by whatever name the Board may designate it, in which shall be recorded the names, address and other prescribed particulars of every firm, partnership or other entity offering accountancy profession services for hire or reward.

(2) The secretary of the Board shall be responsible, subject to any directions given to him or her by the Board, for maintaining the Registers and, subject to subsection (3), ensuring that entries are made in the appropriate Register recording—

- (a) the name and such other particulars as may be prescribed of each person whom the Board has directed shall be registered; and
- (b) the fact that a practising certificate has been issued to a registered person, or that any such practising certificate has ceased to be valid; and
- (c) particulars of the cancellation or suspension of any person’s registration, and of the restoration of any such cancelled registration or the termination of any such suspension; and
- (d) any necessary corrections or alterations to any particulars or facts referred to in paragraph (a), (b) or (c); and
- (e) any other particulars that may be prescribed or that the Board may determine.

(3) The obligation for a firm, partnership or other entity referred to in subsection (2)(e) to be registered, the conditions for such registration, the penalties for non-compliance with such obligation or conditions, and the particulars to be entered in the register referred to in subsection (2) (e), shall be as prescribed by regulations made in terms of section 44.

20 Registers to be open to inspection

Any person may inspect a Register and make copies of any entry therein at all reasonable times on payment of such fee as may be prescribed:

Provided that no such fee shall be payable by—

- (a) a police officer or member of the Civil Service acting in the course of his or her duty as such; or
- (b) any other person whom the secretary of the Board has authorised to inspect the Register in question.

21 Qualifications for registration

(1) Subject to subsection (5), a person shall be qualified for registration as a public auditor if he or she is a member in good standing of—

- (a) the Institute of Chartered Accountants of Zimbabwe established under the Chartered Accountants Act [*Chapter 27:02*]; or
- (b) the Zimbabwe branch of the Chartered Association of Certified Accountants incorporated by Royal Charter in the United Kingdom, and—
 - (i) holds an auditing practising certificate issued in the United Kingdom and recognized by the Board; and
 - (ii) has passed examinations approved for the purpose of this section by the Board in consultation with the Zimbabwe branch of the Chartered Association of Certified Accountants incorporated by Royal Charter in the United Kingdom;

or

- (c) the Institute of Certified Public Accountants of Zimbabwe, a locally incorporated company limited by guarantee; or
- (d) any other body representing the accountancy profession that is prescribed by regulations made under section 44.

(2) Subject to subsection (5), a person shall be qualified for registration as a public accountant if he or she is a member in good standing of any principal constituent body.

(3) Subject to subsection (5), a person shall be qualified for registration as a tax accountant if he or she is a member in good standing of—

- (a) the Institute of Certified Tax Accountants of Zimbabwe a locally incorporated company limited by guarantee; or
- (b) a principal constituent body;

and has passed examinations to achieve a tax accountancy qualification that have been approved by the Board in consultation with the body referred to in paragraph (a) or (b).

(4) Subject to subsection (5), a person shall be qualified for registration as a general accountant if he or she is a member in good standing of—

- (a) the Southern Africa Association of Accountants, a locally incorporated company limited by guarantee; or
- (b) the Institute of Administration and Commerce of Zimbabwe, a locally incorporated company limited by guarantee; or
- (c) a principal constituent body;

and has passed examinations to achieve a general accountancy qualification that have been approved by the Board in consultation with the body referred to in paragraph (a), (b) or (c).

(5) A person shall not be qualified for registration if—

- (a) he or she has been adjudged or otherwise declared insolvent or bankrupt in terms of a law in force in any country, and has not been rehabilitated or discharged; or
- (b) he or she has made an assignment to or arrangement or composition with his or her creditors in terms of a law in force in any country, and the assignment, arrangement or composition has not been rescinded or set aside; or
- (c) within the period of five years immediately preceding his application for registration—
 - (i) he or she has been convicted inside or outside Zimbabwe of a criminal offence which, in the opinion of the Board, is of a disgraceful or dishonourable nature; or
 - (ii) he or she has behaved in a manner which, in the opinion of the Board, is of a disgraceful or dishonourable nature;

or

- (d) he or she has been certified either inside or outside Zimbabwe to be mentally disordered or defective or of unsound mind in terms of the Mental Health Act [*Chapter 15:06*] or an equivalent law in a foreign country, and the certification remains in force.

(6) Before reaching a decision as to whether or not a person is disqualified for registration in terms of subsection (5), the Board shall—

- (a) inform him or her in writing of the grounds on which it might reach such a decision and afford him or her a reasonable opportunity to make representations in the matter, in writing or in person as the Board thinks fit; and
- (b) pay due regard to any representations made by him or her in terms of paragraph (a).

(7) Any general accountant who becomes qualified as a tax accountant, public accountant or public auditor, or tax accountant who becomes qualified as a public accountant or public auditor, or public accountant who becomes qualified as a public auditor, must, before practising as such, obtain the appropriate registration as such under this Part.

22 Application for registration

(1) Any person who wishes to be registered in any of the Registers referred to in section 19(1) shall submit to the constituent body of which he or she is a member an application therefor in the form and manner prescribed, together with the prescribed registration fee.

(2) On receipt of an application in terms of subsection (1), the secretary or registrar or other executive officer of the constituent body concerned shall certify in writing whether or not the applicant—

- (a) is a member in good standing of the constituent body; and

- (b) is qualified for registration as a public auditor, public accountant, tax accountant or general accountant, as the case may be;

and shall forward the application, together with the registration fee, to the secretary of the Board.

23 Registration

(1) The Board shall consider every application for registration forwarded to it in terms of section 22 and—

- (a) if the Board is satisfied that the applicant is qualified for registration, the Board shall direct the secretary of the Board to register the applicant in the appropriate Register;
- (b) if the Board is not so satisfied, the Board shall refuse the application and direct the secretary of the Board to notify the applicant in writing of its decision.

(2) Whenever the secretary of the Board registers a person in terms of this section, he or she shall issue that person with a certificate in the form prescribed, indicating the Register in which that person has been registered.

24 Cancellation or suspension of registration

(1) Subject to subsection (4), the Board shall direct the secretary of the Board to cancel the registration of any registered person who—

- (a) has ceased to be a member of any constituent body by virtue of whose membership he or she was registered; or
- (b) has been adjudged or otherwise declared insolvent or bankrupt in terms of a law in force in any country; or
- (c) has made an assignment to or arrangement or composition with his or her creditors in terms of a law in force in any country; or
- (d) has been convicted inside or outside Zimbabwe of a criminal offence which, in the opinion of the Board, is of a disgraceful or dishonourable nature; or
- (e) is certified either inside or outside Zimbabwe to be mentally disordered or defective or of unsound mind in terms of the Mental Health Act [*Chapter 15:06*] or an equivalent law in a foreign country.

(2) Subject to subsection (3), if the Board is notified in writing by a constituent body that it has suspended the membership of a registered person, the Board shall suspend that person's registration for the same period as his or her membership has been suspended.

(3) Before reaching a decision as to whether or not a registered person's registration should be cancelled or suspended in terms of subsection (1), the Board shall—

- (a) inform him or her in writing of the grounds on which it might reach such a decision and afford him or her a reasonable opportunity to make representations in the matter, in writing or in person as the Board thinks fit; and

- (b) pay due regard to any representations made by him or her in terms of paragraph (a).

(5) Whenever the secretary cancels or suspends a person's registration in terms of this section, he or she shall notify that person, in writing, of the cancellation or suspension.

25 Restoration of registration

(1) The Board shall direct the secretary of the Board to restore to the Register the name of a person whose registration was cancelled on the ground referred to in section 24(1)(a), if a constituent body notifies the Board, in writing, that he or she has become a member of the body or has had his or her membership restored.

(2) A person whose registration has been cancelled in terms of section 24 may apply for his or her registration to be restored, and sections 21 to 23 shall apply, with such changes as may be necessary, as if he or she were applying for registration."

8 Amendment of section 26 of Cap. 27:12

Section 26 ("Prohibition against practice without practising certificate")(1) of the principal Act is amended by the deletion wherever it occurs of "public accountant or a public auditor" and the substitution of "a public auditor, public accountant, tax accountant or general accountant".

9 New section substituted for section 28 of Cap. 27:12

Section 28 of the principal Act is repealed and the following is substituted—

"28 Issue or refusal of practising certificate

(1) On receipt of an application for a practising certificate in terms of section 27, the Board shall issue a practising certificate to the applicant authorizing him or her to practise as a public auditor, public accountant, tax accountant or general accountant, if the Board is satisfied that the applicant—

- (a) is registered in the appropriate Register; and
- (b) is a member in good standing of a constituent body;

and, if the Board is not so satisfied, it shall refuse to issue the practising certificate concerned and shall advise the applicant accordingly.

(2) Where an applicant who already holds a practising certificate authorising him or her to practise as a public accountant, tax accountant or general accountant has applied for a practising certificate authorizing him or her to practise as a public auditor or in a registrable category of the accountancy profession other than the one for which he or she was registered, the Board shall require him or her to surrender his or her existing practising certificate before issuing him or her with a new practising certificate."

10 Amendment of section 30 of Cap. 27:12

Section 30 ("Terms and conditions of practising certificates") of the principal Act is amended—

- (a) by the repeal of subsection (3) and the substitution of—

“(3) If, following any disciplinary action against a public auditor, public accountant, tax accountant or general accountant, conditions are imposed upon his or her entitlement to practise, the a public auditor, public accountant, tax accountant or general accountant shall forthwith return any practising certificate held by him or her to the secretary of the Board, who shall endorse the conditions on the certificate.”;

- (b) in subsection (4) by the deletion of “public accountant or public auditor” and the substitution of “public auditor, public accountant, tax accountant or general accountant, as the case maybe.”.

11 Amendment of section 31 of Cap. 27:12

Section 31 (“Prohibition against practice without practising certificate”) of the principal Act is amended by the deletion wherever it occurs of “public accountant or a public auditor” and the substitution of “a public auditor, public accountant, tax accountant or general accountant”.

12 Amendment of section 32 of Cap. 27:12

Section 31 (“Surrender of withdrawn or invalid practising certificates”) of the principal Act is amended by the deletion of “drawn”.

13 Amendment of section 34 of Cap. 27:12

Section 34 (“Disciplinary proceedings”) of the principal Act is amended by the insertion of the following subsection, the existing section becoming subsection (1) —

“(2) The Secretary may, on the direction of the Board refer persons suspected of contravening the by-laws or any other provision of this Act to the appropriate constituent bodies for disciplinary action, and the relevant constituent body shall ensure that all necessary steps are taken to deal with the referral expeditiously, and shall report the outcome of the same to the Board within a reasonable time.”.

14 Amendment of section 36 of CAP 27:12

Section 36 (“Appeal to Board against disciplinary action”) of the principal Act is amended by the insertion after subsection (7) of the following subsection —

“(8) An appeal to the Board made in terms of this section shall not suspend the decision being appealed against.”.

15 Amendment of section 37 of Cap. 27:12

Section 37 (“Use of certain designations”) of the principal Act amended by the insertion after subsection (2) of the following subsections —

“(3) A registered tax accountant shall be entitled to use the designation “Registered Tax Accountant (Zimbabwe)” or the initials “R.T. Acc (Z).”.

(4) A registered general accountant shall be entitled to use the designation “Registered General Accountant” or the initials “R.G. Acc (Z).”.

16 New section substituted for section 38 of Cap. 27:12

Section 38 of the principal Act is repealed and the following is substituted —

“38 Offences by unregistered persons

(1) Subject to section 39 and any other enactment, no person other than —

- (a) a registered public accountant shall —

- (i) hold himself or herself out to be a registered public accountant; or
 - (ii) use the designation or initials referred to in section 37(1) or any other name, title, description or letters indicating that he or she is a registered public accountant, whether by advertisement or description or in any document;
 - (b) a registered public auditor shall—
 - (i) practise as a public auditor; or
 - (ii) hold himself or herself out to be a registered public auditor; or
 - (iii) use the designation or initials referred to in section 37(2) or any other name, title, description or letters indicating that he or she is a registered public auditor, whether by advertisement or description or in any document;
 - (c) a registered tax accountant shall—
 - (i) hold himself or herself out to be a registered tax accountant; or
 - (ii) use the designation or initials referred to in section 37(3) or any other name, title, description or letters indicating that he or she is a registered tax accountant, whether by advertisement or description or in any document;
 - (d) a registered general accountant shall—
 - (i) hold himself or herself out to be a registered general accountant; or
 - (ii) use the designation or initials referred to in section 37(4) or any other name, title, description or letters indicating that he or she is a registered general accountant, whether by advertisement or description or in any document.
- (2) No person, other than a constituent body, shall—
- (a) hold itself out to be a constituent body or as being represented on the Board or associated in any way with the Board; or
 - (b) claim that it can issue certificates or qualifications that would entitle the holder thereof to be registered, or to practise, as an accountancy professional.
- (3) Any person who contravenes subsection (1) or (2) shall be guilty of an offence and—
- (a) in the case of an individual, be liable to a fine not exceeding level eight or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment; or
 - (b) in the case of a corporate body, partnership or other juristic entity, be liable to a fine not exceeding level eight.
- (4) Additionally, every partner of a partnership, or every director or member of the governing body of a corporate body or other juristic entity, that is guilty of contravening subsection (1) or (2), shall be con-

currently guilty of the same offence and be liable to a fine not exceeding level eight or to imprisonment for a period not exceeding one year or to both such fine and such imprisonment.

(5) A conviction for an offence under subsection (3) shall not be a bar to a further prosecution or conviction if the offence continues.”.

17 Amendment of section 39 of Cap. 27:12

Section 39 (“Exemptions”) of the principal Act is amended—

(a) by the repeal of subsection (2) and the substitution of—

“(2) Any person in the *bona fide* employment of—

- (a) a registered public accountant, tax accountant or general accountant; or
- (b) a company or partnership referred to in subsection (5);

shall not be regarded as practising as a public accountant, tax accountant or general accountant, as the case may be, or as holding himself or herself out to be a registered public accountant, tax accountant or general accountant, for the purposes of section 38 in respect of anything done in the course of such employment while under the direction and control of a registered public accountant, tax accountant or general accountant.”;

(b) by the repeal of subsection (5) and the substitution of—

“(5) Notwithstanding section 38, a company or partnership whose directors or partners, as the case may be—

- (a) are registered public auditors, public accountants, tax accountants or general accountants; and
- (b) hold practising certificates; and
- (c) directly control and manage the provision of public, tax or general accounting or auditing services by the company or partnership;

may practise as a public auditor, public accountant, tax accountant or general accountant, as the case may be.”.

18 Amendment of section 41 of Cap. 27:12

Section 40 (“Appeals from decisions of Board”)(3) of the principal Act is amended by the repeal of paragraph (a) and the substitution of—

“(a) the Board, by written notice to the public auditor, public accountant, tax accountant or general accountant concerned, agrees otherwise; or”.

19 Amendment of section 41 of Cap. 27:12

Section 41 (“Evidence”) of the principal Act is amended—

(a) in subsection (1), by the deletion of “The Register” and the substitution of “A Register”;

(b) in subsection (2) —

(i) by the repeal of paragraph (a) and the substitution of—

“(a) the name of a person appears in any Register, shall be *prima facie* proof that the person is a registered public accountant or a registered public auditor, public accountant, tax accountant or general accountant, as the case may be;”;

- (ii) in paragraph (b), by the deletion of “in the Register or any specified part thereof,” and the substitution of “in a Register”;
- (c) in subsection (3) by the deletion of “the Register” wherever it occurs and the substitution of “a Register”.

19 New sections substituted for sections 43 and 44 of Cap. 27:12

Section 43 of the principal Act is repealed and the following sections are substituted—

“43 By-laws

(1) Subject to subsection (3), the Board may make by-laws prescribing anything which in terms of this Act is required to be prescribed or which, in the Board’s opinion, are necessary or convenient to be prescribed for carrying out or giving effect to the provisions of this Act.

(2) By-laws made in terms of subsection (1) may provide for—

- (a) fees which shall be payable in connection with registration, the issue of certificates, the renewal of certificates, and anything else issued or done in terms of this Act;
- (b) the issue of duplicate, corrected or amended certificates of registration;
- (c) the form of the Registers and the circumstances in which they may be inspected by members of the public;
- (d) the levies payable by the constituent bodies to the Board;
- (e) applications for practising certificates, the renewal of such certificates and the form of such certificates;
- (f) the procedure for reviews by and appeals to the Board under Part V.

(3) By-laws shall not have effect until they have been approved by the Minister and published in the *Gazette*.

44 Regulation of professional standards

(1) In this section and section 45(4), “non-independent accountancy professional” means an individual qualified as a public accountant, public auditor, general accountant or tax accountant, who—

- (a) does not practise as such by himself or herself, or in partnership or association with other persons; and
- (b) is employed or retained to render any of the services of a public accountant, public auditor, general accountant or tax accountant.

(2) Subject to subsection (3), the Board may make regulations prescribing—

- (a) auditing standards, accounting standards and accountancy reporting standards for use in Zimbabwe, including the application of internationally recognised auditing, accounting and reporting standards;
- (b) the minimum qualifications, competency standards and requirements for registration of public auditors, public accountants, tax accountants and general accountants in

addition to, and not inconstant with, those provided for in this Act;

- (c) the particular competencies, qualifications, rights and privileges of persons registered as general accountants, tax accountants, public accountants or public auditors, in a manner not inconsistent with the statutory definitions of each of those classes of the accountancy profession;
- (d) the criteria upon which the Board will recognise or withdraw recognition from educational qualifications or training programmes offered or be offered in connection with the accountancy profession at any educational institutions or by any principal or associate constituent body or by any other body purporting to represent the accountancy profession;
- (e) anything that may promote the integrity of the accountancy profession and the protection of consumers of services offered by accountancy professionals, including—
 - (i) the conduct of audit quality monitoring, practice reviews and inspections by or on behalf of the Board;
 - (ii) the monitoring of compliance with applicable standards prescribed under paragraph (a);
- (f) the recognition for certain purposes of any body purporting to represent the accountancy profession that is not a principal or associate constituent body;
- (g) the criteria for the recognition of any body referred to in paragraph (f), and the opening and maintenance of a register for the purpose of registering any such body, and the charging of a registration fee for that purpose;
- (h) the obligation for a firm, partnership or other entity referred to in subsection 19(2)(e) to be registered, the conditions for such registration, and the particulars to be entered in the register referred to in subsection 19(2)(e);
- (i) the obligation, with effect from a prescribed date, for every non-independent accountancy professional to be registered with the Board (whether through one of the Registers or in a special register to be created by the Board for this purpose) as a condition for rendering any auditing, public accountancy, general accountancy or taxation accountancy service as a non-independent accountancy professional, and—
 - (i) to be subject, to the prescribed extent, to the same professional standards and disciplinary regime as are prescribed by or under this Act for accountancy professionals who are required to have a practising certificate under Part IV:

Provided that the Board shall not require a non-independent accountancy professional to obtain a practising certificate or any other certification, licence or registration besides registration with the Board;

- (ii) to be registered for an indefinite period or at prescribed intervals of not less than twelve months, with or without the payment of a prescribed fee;

- (j) penalties for breaches of the regulations, not exceeding a fine of level seven or imprisonment for a period of six months or both such fine and such imprisonment:

Provided that in the case of regulations requiring non-independent accountancy professionals to be registered, the regulations may impose the same penalties as are provided in section 38 for unregistered persons.

(3) Regulations shall not have effect until they have been approved by the Minister and published in the *Gazette*.

45 Transitional provisions

- (1) In this section—

“commencement date” means the date of promulgation of this Act.

(2) Notwithstanding anything to the contrary in Part II, the first members appointed to the Board by each associate constituent body need not be registered persons if they are appointed before the commencement date.

(3) Notwithstanding section 38, a person who, on the commencement date, is qualified for registration as a general accountant or tax accountant may practise as such for a period not exceeding one hundred and eighty-one days, or such longer period, not exceeding a further period of one hundred and eighty-one days, as the Minister may fix in a statutory instrument (“the transitional period”), from the commencement date:

Provided that any such person who continues to practise as a general accountant or tax accountant after the transitional period shall become liable for prosecution under section 38 unless he or she has earlier—

- (a) applied for and been granted registration as a general accountant or tax accountant in accordance with Part III; or
- (b) applied for registration as a general accountant or tax accountant in accordance with Part III, and the application has not yet been determined on the date of expiry of the transitional period.

(4) Notwithstanding the prescribing of a requirement under section 44(2)(i) for non-independent accountancy professionals to be registered, no such person shall be liable for any penalty prescribed for non-registration if, within a period of one hundred and eighty-one days from date of publication of the regulations prescribing such requirement or such longer period as may be prescribed (“the transitional period”), he or she has earlier—

- (a) applied for and been granted registration as a non-independent accountancy professional; or
- (b) applied for registration as a non-independent accountancy professional, and the application has not yet been determined on the date of expiry of the transitional period.”.

20 Insertion of new Schedule in Cap. 27:12

The principal Act is amended by the insertion of the following Schedule, the existing Schedule becoming the First Schedule—

"SECOND SCHEDULE (Section 3(1))

CONSTITUENT BODIES

PART I

PRINCIPAL CONSTITUENT BODIES

1. The Zimbabwe branch of the Association of Chartered Certified Accountants, incorporated by Royal Charter in the United Kingdom.
2. The Zimbabwe branch of the Chartered Institute of Management Accountants, incorporated by Royal Charter in the United Kingdom.
3. The Institute of Chartered Accountants of Zimbabwe, established by the Chartered Accountants Act [*Chapter 27:02*].
4. The Institute of Chartered Secretaries and Administrators in Zimbabwe, established by the Chartered Secretaries (Private) Act [*Chapter 27:03*].
5. The Institute of Certified Public Accountants of Zimbabwe, a locally incorporated company limited by guarantee.

PART II

ASSOCIATE CONSTITUENT BODIES

1. The Institute of Certified Tax Accountants of Zimbabwe, a locally incorporated limited company.
2. The Institute of Administration and Commerce of Zimbabwe, a locally incorporated company limited by guarantee.
3. The Southern Africa Association of Accountants, a locally incorporated company limited by guarantee.”.