

## CHAPTER 286

### THE ACCOUNTANTS AND AUDITORS (REGISTRATION) ACT

#### [PRINCIPAL LEGISLATION]

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### CHAPTER 286

### THE ACCOUNTANTS AND AUDITORS (REGISTRATION) ACT

An act to provide for the establishment of a National Board of Accountants and Auditors, the conduct of professional examinations in Accountancy and Auditing, the registration of accountants and auditors and for related matters.

[15th January, 1973]

[G.N. No. 7 of 1973]

Acts Nos.

33 of 1972

2 of 1995

## PART I

### PRELIMINARY PROVISIONS (ss 1-2)

[PCh286s1]1. Short title

This Act may be cited as the Accountants and Auditors (Registration) Act.

[PCh286s2]2. Interpretation Act No. 2 of 1995 s. 2

(1) In this Act, unless the context otherwise requires—

"accountant" means any person trained or qualified, or holding himself out as trained or qualified, to keep books of accounts or similar financial records in respect of any business or a person whose significant portion of time is utilised for the purpose of keeping books of accounts or similar financial records in respect of any business or financial activities, whether carried on by himself or any other person or body of persons, whether corporate or unincorporated and includes a person who keeps, prepares, advises

on, revises or submits financial records, returns or accounts for or on behalf of any other person, whether for reward or not;

"Accounting Technician" means a person registered by the Board as such and having met the conditions stipulated for that registration;

"annual gross turnover or gross revenue" means the volume of business transacted by a business entity or organisation in a year measured in sales or revenue;

"Appeals Board" means the Appeals Board referred to in section 18;

"assets" includes property or right owned by a business entity that has money values whether it be tangible or intangible movable or immovable property;

"auditor" means any person trained, qualified or holding himself out as trained, qualified or experienced in the auditing of the accounts of the business of any person or body of persons, including any body of persons of which he is a member, partner, shareholder, director or employee;

"Board" means the National Board of Accountants and Auditors established by section 3;

"Certified Public Accountant" means a person registered as a Certified Public Accountant;

"Certified Public Accountant in Public Practice" means a person registered as a Certified Public Accountant in Public Practice;

"Executive Director" means the Chief Executive of the Board appointed under section 6;

"firm" means a body of registered Certified Public Accountant carrying on business for fee, reward or other monetary consideration in the United Republic whether incorporated or unincorporated;

"Graduate Accountant" means a person who has successfully completed the professional examination as recognised by the Board but lacks the working experience to qualify for registration as Certified Public Accountant;

"member" in relation to the Board or the Appeals Board, includes the Chairman or, where the Chairman is absent and the Vice-Chairman is presiding, the Vice-Chairman;

"Minister" means the Minister responsible for the accountancy profession;

"register" means the Register of Certified Public Accountants in Public Practice", the "Register of Certified Public Accountants", the "Register of Graduate Accountants", the Register of Practising Firms" or any other register as the case may be, maintained by the Board in accordance with the provisions of this Act;

"registered accountant" means an accountant whose name is for the time being entered on the Register of Certified Public Accountants;

"registered auditor" means an auditor whose name is for the time being entered on the Register of Certified Public Accountants in Public Practice.

## PART II

### THE BOARD (ss 3-6)

#### [PCh286s3]3. Establishment of a Board

(1) There is hereby established a Board to be known as the National Board of Accountants and Auditors.

(2) The Board shall—

- (a) be a body corporate with perpetual succession and a common seal;
- (b) in its corporate name, be capable of suing and being sued;
- (c) for and in connection with the purposes of this Act, be capable of acquiring, holding and disposing of movable and immovable property in its corporate name.

(3) The provisions of the Schedule to this Act shall have effect as to the constitution and proceedings of the Board and otherwise in relation to the Board.

(4) The Minister may, by order published in the Gazette, amend, add to, vary or revoke and replace the provisions of the Schedule to this Act.

[PCh286s4]4. Functions of the Board Act No. 2 of 1995 s. 3

Subject to the provisions of this Act and any regulations made the functions of the Board shall be—

- (a) to promote and provide opportunities and facilities for the study of, and for the training in, accountancy, auditing and allied subjects;
- (b) to conduct examinations and to grant diplomas, certificates and other awards of the Board in accountancy, auditing and allied subjects;
- (c) to sponsor, arrange and provide facilities for conferences, seminars, discussions and consultations on matters relating to accountancy and allied subjects;
- (d) to arrange for the publication and general dissemination of materials produced in connection with the work and activities of the Board;

(e) to stipulate accountancy or auditing standards and guidelines as appropriate and to ensure the compliance of the standards and guidelines by the subjects;

(f) to maintain a register of Certified Public Accountants in Public Practice, Certified Public Accountants, Graduate Accountants, Accounting Technicians and practising firms;

(g) to consider and decide upon applications for registration and to effect registration of practising accountants, Accountants, Accounting Technicians and practising firms;

(h) to regulate the activities and conduct of Certified Public Accountants in Public Practice, Certified Public Accountants, Graduate Accountants Accounting Technicians and practising firms;

(i) to evaluate foreign accountancy qualifications for exemption from parts of the Board's examination;

(j) to formulate the appropriate National Accountancy Scheme and syllabi and oversee that Accountancy syllabi in training institutions throughout the country are in accordance with the National Accountancy Scheme and syllabi;

(k) to evaluate internal institutional accountancy qualifications for exemption from parts of the Board's examination; and

(l) to carry out such other functions after consultation with the Minister.

[PCh286s5]5. Limitation of liability of members

A member of the Board shall not be personally liable for any act or default of the Board done or omitted in good faith in the course of carrying out the responsibilities and functions of, or exercising the powers conferred upon, the Board.

[PCh286s6]6. Appointment of Executive Director Act No. 2 of 1995 s. 2

The Minister shall appoint an Executive Director of the Board who may be a person holding an office of emolument in the public service and who shall hold and vacate office in accordance with the terms of his appointment.

### PART III

#### REGISTRATION (ss 7-16)

[PCh286s7]7. Registers of accountants and auditors Act No. 2 of 1995 s. 4

(1) The Executive Director shall keep and maintain a Register of Certified Public Accountants in Public Practice, Certified Public Accountants, Graduate Accountants and Accounting Technicians in which the name of every person entitled to have his name entered in that Register as a Certified Public Accountant in Public Practice, Certified Public Accountant, Graduate Accountant, Accounting Technician, as the case may be, shall be entered as soon as is practicable after being accepted by the Board for registration, showing against his name the following particulars—

- (a) the date of such entry;
- (b) his address;
- (c) his qualifications;
- (d) the classification, if any, under which he is registered;

(e) such other particulars as the Board may direct.

(2) All changes in the particulars registered under subsection (1) shall be entered in the appropriate register by the Executive Director.

(3) Any person who does not qualify for registration under subsection (1) of this section but who is an accounting or auditing personnel who has not completed relevant studies to qualify for registration, shall have a title in accordance with the prescription of titles as shall be issued by the Executive Director.

(4) The Executive Director shall keep and maintain a register of firms in which every practising firm of Certified Public Accountants in Public Practice or Certified Public Accountants shall register their firms and the register shall contain–

(a) names of partners, members or associates of the firm;

(b) qualifications of such partners, members or associates;

(c) the address of the registered office where they carry on business;

(d) registration number under the Companies Act \* or Business Names (Registration) Act \*, if applicable; and

(e) the classification in which each of the partners, members or associates of the firm are registered under this Act.

[PCh286s8]8. Publication of register and list Act No. 2 of 1995 s. 5

(1) The Executive Director shall cause to be published in the Gazette, as soon as may be practicable after registration, the name, address and qualifications of each Certified Public Accountant in Practice, Certified Public Accountant, Graduate Accountant,

Accounting Technician and practising firm and subject to the directions of the Board, may cause to be so published any amendment to or deletion from the register.

(2) The Executive Director shall cause to be published in the Gazette, as soon as may conveniently be after the first day of January in each year a list containing the names, addresses and qualifications of all registered Certified Public Accountants in Public Practice, Certified Public Accountants, Graduate Accountants, Accounting Technicians, remaining on the register at the close of the previous year together with the list of practising firms.

[PCh286s9]9. Publication of list prima facie evidence of registration

(1) A publication under the provisions of section 8 shall be prima facie evidence that the persons named therein are registered under this Act, and the deletion from the register of the name of any person notified by such publication shall be prima facie evidence that that person is not so registered.

(2) The registers, lists and all copies or extracts which purport to have been certified under the hand of the Registrar shall be receivable in all courts and tribunals or other bodies authorised to receive evidence as prima facie evidence of the facts stated therein.

[PCh286s10]10. Qualifications for registration of Certified Public Accountants and Auditors Act No. 2 of 1995 s. 6

(1) Subject to the provisions of this section, a person shall be entitled, on making an application to the Board in the prescribed manner and on payment to the Board of the prescribed fee, to be registered under this Act and to have his name entered in the Register

of Certified Public Accountants or, as the case may be, the Register of Certified Public Accountants in Public Practice if he is—

(a) a member of an institute of accountants or an institute of auditors, the membership of which is recognised for the time being by the Board as furnishing a sufficient guarantee of academic knowledge and practical experience in accountancy or as the case may be, auditing; or

(b) a person who is the holder of a degree, diploma or certificate or other award of the Board, or of a university or school of accountancy or auditing which may be recognised for the time being by the Board as furnishing a sufficient guarantee of an adequate academic training in accountancy or auditing; or

(c) a person who has sat for and passed an examination conducted by or under the authority of the Board, being an examination prescribed by the Board as qualifying examination for authorised accountant or, as the case may be, authorised auditor.

(2) Notwithstanding the provisions of paragraph (a) and (b) of subsection (1), the Board may—

(a) require any person to whom either of the said paragraphs applies to pass such examination as the Board may prescribe; or

(b) specify a time required for practical experience to be gained by a person to whom either of the paragraphs applies before such person is entitled to be registered.

(3) The Board shall require an applicant for registration under this section to satisfy it that his professional and general conduct has been such as in the opinion of the Board, to make him a fit and proper person to be registered as either a Certified Public

Accountant, in Public Practice, Certified Public Accountant, Graduate Accountant or Accounting Technician.

(4) The Board shall require an applicant for registration under this section to satisfy that his professional and general conduct has been such as, in the opinion of the Board, to make him a fit and proper person to be registered as either a Certified Public Accountant in Public Practice, a Certified Public Accountant, a Graduate Accountant, an Accounting Technician or a practising firm.

[PCh286s11]11. Qualifications for registration of Certified Public Accountants in Public Practice

Subject to the other provisions of this Act, a person shall be entitled on making an application to the Board and in the prescribed manner and on payment to the Board of the prescribed fee, to be registered under this Act and to have his name entered in the register of Certified Public Accountants in Public Practice upon being issued with a Certificate of Practice by the Board.

[PCh286s12]12. Qualifications for registration of Certified Public Accountants

Subject to the other provisions of this Act, a person shall be entitled on making an application to the Board, in the prescribed manner and on payment to the Board of the prescribed fee, to be registered under this Act and to have his name entered in the Register of Certified Public Accountants.

[PCh286s13]13. Qualifications for registration of Graduate Accountants

Subject to the provisions of this Act, a person shall be entitled on making an application to the Board, in the prescribed manner and on payment to the Board of the

prescribed fee, to be registered under this Act and to have his name entered in the Register of Graduate Accountants upon successfully completing the Certified Public Accounting Examination or its equivalent but lacks the relevant practical experience for registration as a Certified Public Accountant, as may be prescribed by the Board.

[PCh286s14]14. Qualifications for registration of Accounting Technicians

Subject to the provisions of this section, a person shall be entitled on making an application to the Board, in the prescribed manner and on payment to the Board of the prescribed fee, to be registered under this Act and to have his name entered in the Register of Accounting Technicians—

(a) a member of an Institute of Accounting Technicians, the membership of which is recognised for the time being by the Board as furnishing a sufficient guarantee of academic knowledge and relevant practical experience in Accounting;

(b) a person who is a holder of the Board's Accounting Technician Certificate (ATEC) or its equivalent as recognised for the time being by the Board as qualifying for registration as an Accounting Technician.

[PCh286s15]15. Temporary registration as Certified Public Accountant or Auditor

(1) Where a person satisfies the Board—

(a) that he is not ordinary resident public in Mainland Tanzania;

(b) that he is or intends to be present in Mainland Tanzania in the capacity of a professionally qualified accountant or auditor for the express purpose of carrying out a specific assignment for which he has been engaged; and

(c) that he is, or, immediately prior to entering Mainland Tanzania, was practising or employed as an accountant or auditor in such a capacity as to satisfy the Board of his fitness to serve the public as a certified public accountant or auditor, the Board may, if it thinks fit, direct that such person shall be registered under this section as a certified public accountant or, as the case may be a certified public accountant in public practice either for a period not exceeding one year or for the duration of any specific assignment.

(2) An application for registration under this section shall be in the prescribed form, accompanied by the prescribed fee, and the Board may require an applicant to appear before it for the purposes of considering his application and shall require every applicant to produce documentary evidence of his work or employment immediately prior to his entering Mainland Tanzania.

(3) Registration of a person under this section shall continue only for the period or for the duration of the assignment as is directed by the Board under subsection (1) and on its termination such person shall cease to be so registered; and in case of doubt the decision of the Board as to the termination of the assignment shall be conclusive.

(4) A person registered under this section shall, in relation to the period or the duration of the assignment as is directed by the Board under subsection (1) and to things done and omitted in the course of such assignment, be treated as being duly registered under this Act as an authorised accountant or, as the case may be, an authorised auditor but in relation to other matters shall be treated as not so registered.

[Repealed by Act No. 2 of 1995 s. 8.]

#### PART IV

#### CONTROL OVER CONDUCT OF REGISTERED AUDITORS AND ACCOUNTANTS (ss 17-23)

[PCh286s17]17. Power to cancel registration Act No. 2 of 1995 s. 9

(1) The Board may at any time direct that the name of a Certified Public Accountant in Public Practice, a Certified Public Accountant, Graduate Accountant, an Accounting Technician or Practising Firm be deleted from the classification where such person or firm has—

(a) failed within a period of six months from the date of an enquiry sent by the Executive Director by registered letter to the address appearing in the register against his name, to notify the Executive Director of his current address; or

(b) requested that his name be deleted from the register, in which case such person may be required to satisfy the Board by affidavit lodged with the Executive Director that no criminal proceedings or proceedings under section 21 or section 22 are being or are likely to be taken against him; or

(c) been found by the Board to be guilty of such misconduct as is specified in section 21.

(2) The Executive Director shall delete from the register the name of every deceased person.

(3) The Executive Director shall rectify or delete any entry in any register which has been incorrectly or fraudulently made or procured.

(4) Except in the circumstances specified in paragraph (a) of subsection (1) and in subsection (2), every deletion from a register, transfer to another register or reclassification of registration shall be notified by the Executive Director to the person concerned by a registered letter to the address appearing in the register against his name immediately prior to such deletion, transfer or reclassification, as the case may be.

(5) Subject to the provisions of section 20, a person whose name has been deleted from a register under this section shall cease from the date of such deletion to be registered for the purposes of this Act.

[PCh286s18]18. Issuance of, and procedure of, obtaining certificate of practice Act No. 2 of 1995 s. 10

Notwithstanding the other provisions of this Act, no person shall, whether incorporated or unincorporated, practise as an accountant or auditor unless he applies and obtains a certificate of practice from the Board.

[PCh286s19]19. Issuance of, and procedure of, obtaining, certificate of clearance

(1) No firm other than a firm issued with a certificate of clearance shall carry on business as Auditors or Accountants whether corporate or incorporate.

(2) The Executive Director shall issue a certificate of clearance to a firm that applies for that certificate after ascertaining—

- (a) the registration status of the members or partners of that firm;
- (b) the manpower capabilities of the firm;
- (c) the classification in which the members or partners of the firm are registered.

(3) The certificate of clearance issued under subsection (2) of this section shall state the classification of the registration of members and partners of the firm.

(4) Where a person under subsection (1) of this section applies in a prescribed manner for a certificate of practice and after paying a prescribed fee, the Board may issue a certificate of practice to that person.

[PCh286s20]20. Restoration to the register Act No. 2 of 1995 s. 11

(1) Where the name of any person or firm has been deleted from a register under section 17, the name of that person or firm shall not be again entered in the register except by direction of the Board.

(2) Where the name of any person or firm has been deleted from a register, transferred from one register to another or the registration relating to him has been re-classified, or where the effect of the registration of any person or firm has been suspended in the terms of paragraph (d) of section 21, the Board may, either of its own motion or on the application in the prescribed manner of the person or firm concerned, and in either case after holding such inquiry as the Board may deem fit, direct that—

- (a) the deletion, transfer or re-classification be confirmed; or
- (b) the name of that person or firm be restored to the register; or
- (c) the re-classification be cancelled; or
- (d) the suspension of the effect of the registration of that person or firm be terminated.

(3) A direction given by the Board under subsection (2) may include provisions for the date upon which restoration to the register, cancellation of the re-classification or the

termination of suspension of the effect of registration shall take effect and for the payment by the person or firm concerned of such fee, not exceeding the fee payable on an application for registration, as the Board may determine.

[PCh286s21]21. Powers to suspend registration, etc. Act No. 2 of 1995 s. 12

If any Certified Public Accountant in Public Practice, Certified Public Accountant, Graduate Accountant, Accounting Technician or firm is convicted of any offence against this Act or is, after due inquiry held by the Board, found to have been guilty of any act or omission amounting to improper disgraceful or grossly, negligent professional conduct, the Board may—

- (a) caution or censure such registered accountant or auditor; or
- (b) direct that his name be transferred to another register; or
- (c) direct that his name be transferred to a lower classification in a register; or
- (d) direct that, during such period as the Board may specify, the registration of his name shall not have effect; or
- (e) direct that his name be deleted from the register,

and any Certificate of Practice or any other certificate issued to him by the Board under section 18 or 19 be returned to the Board for cancellation.

[PCh286s22]22. Proceedings at inquiry Act No. 2 of 1995 s. 13

(1) Upon any inquiry held by the Board under section 21, the person or firm whose conduct is being inquired into shall be entitled to appear and to be heard in person or by a legal representative of the firm but shall not be entitled to be represented by an advocate.

(2) For the purposes of proceedings at any inquiry held by it, the Board shall have power—

- (a) to administer oaths;
- (b) to summon persons to attend and give evidence; and
- (c) to order the production of documents.

(3) All summonses and orders issued under the hand of the Chairman or the Vice-Chairman of the Board shall be deemed to be issued by the Board.

(4) The Chairman, or in his absence the Vice-Chairman, shall record or cause to be recorded a summary of any oral evidence given at an inquiry held by the Board.

(5) Subject to the provisions of this section and of any regulations made under section 44, the Board shall have power to regulate its own procedure at an inquiry held by it.

(6) For the purpose of Chapter XI of the Penal Code \* , an inquiry held by the Board shall be deemed to be judicial proceedings.

[PCh286s23]23. Disobedience of summons and refusal to give evidence Act No. 2 of 1995 s. 14

Any person who, having been served with a summons or an order issued under the provisions of section 22, refuses or omits without sufficient cause to attend at the time and place mentioned in the summons, or refuses without sufficient cause to answer fully and satisfactorily to the best of his knowledge and belief all questions put to him by or with the concurrence of the Board, or refuses or omits without sufficient cause to produce any

document in his possession or under his control which is specified in the order, commits an offence and on conviction is liable to a fine not exceeding five thousand shillings:

Provided that every person giving evidence before the Board shall, in respect of any evidence given by him or any document produced by him, be entitled to all privileges to which he would be entitled as a witness before the High Court.

## PART V

### APPEALS (ss 24-25)

[PCh286s24]24. Establishment of Accountants and Auditors Appeals Board Act No. 2 of 1995 s. 15

(1) There is hereby established a Board to be known as the Accountants and Auditors Appeals Board which shall consist of—

(a) the Attorney-General or a senior law officer nominated in that behalf by the Attorney-General, who shall be the Chairman;

(b) the Permanent Secretary to the Treasury or the Treasury Registrar, who shall be the Vice-Chairman;

(c) the Controller and Auditor-General or an authorised auditor employed in the Audit Department and nominated by the Controller and Auditor-General;

(d) the Permanent Secretary to the Ministry for the time being responsible for commerce;

(e) an authorised auditor in the employment of the Tanzania Audit Corporation and nominated by the General Manager of the Corporation;

(f) a Certified Public Accountant in Public Practice in the employment of the Tanzania Audit Corporation and nominated by the Director-General of the Corporation.

(2) The Chairman or, in his absence, the Vice-Chairman and two other members shall constitute a quorum for any meeting of the Appeals Board.

(3) The decision of the majority of the members present shall be the decision of the Appeals Board:

Provided that in the event of an equality of votes the Chairman or, if the Vice-Chairman is presiding, the Vice-Chairman, shall have a casting vote in addition to his deliberative vote.

[PCh286s25]25. Appeals against decisions of the Board Act No. 2 of 1995 s. 16

(1) Any person aggrieved by a decision of the Board—

- (a) to refuse to register his name; or
- (b) to delete his name from a register; or
- (c) to transfer his name from one register to another; or
- (d) to reclassify his registration; or
- (e) to refuse to enter his name in the register or under the classification applied

for; or

- (f) to refuse to restore his name to the register; or
- (g) to suspend the effect of registration of his name; or
- (h) to refuse to enter the firm's name in the register of practising firms; or
- (i) to suspend the effect of registration of the firm in the register,

may appeal to the Appeals Board against the decision of the Board and in any such appeal the Appeals Board may give such directions in the matter as it thinks proper, and every order of the Appeals Board under this section shall be final, conclusive and binding upon all parties concerned, and shall not be subject to review by any court.

(2) The Board may appear as respondent and be heard on any appeal against its decision and, for the purposes of enabling directions to be given as to the costs of any such appeal, the Board shall be deemed to be a party thereto, whether or not it shall appear at the hearing of the appeal.

(3) The Attorney-General may make rules regulating appeals to the Appeals Board under this section and providing for the taking of further evidence, the fees to be paid, the procedure to be followed and the manner of notifying the Board of an appeal, and until any such rules are made, and subject to any such rules when made, the provisions of the Civil Procedure Code \*, shall apply as if the decision or direction of the Board were a decree of a court exercising original jurisdiction and as if the Appeals Board were the High Court.

(4) The Appeals Board shall, for the purposes of an appeal under this section, have all the powers which the High Court has in the exercise of its appellate jurisdiction in civil matters.

## PART VI

### EFFECT OF REGISTRATION AND CONSEQUENCES OF NON-REGISTRATION

(ss 26-34)

Every person whose name has been entered on a register shall, so long as his name remains on the register, be entitled to adopt and use the style and title—

(a) in the case of a person whose name has been entered on the Register of Certified Public Accountant in Public Practice or "Registered Auditor";

(b) in the case of a person whose name has been entered on Register of Authorised Accountants, or "Registered Accountant";

(c) in the case of a person whose name has been entered on the Register of Graduate Accountants;

(d) in the case of a person whose name has been entered on the Register of Accounting Technicians.

[PCh286s27]27. Offences relating to use of styles and titles Act No. 2 of 1995 s. 18

Any person who—

(a) not being a Certified Public Accountant in Public Practice, or a Certified Public Accountant, Graduate Accountant or an Accounting Technician falsely pretends to be such;

(b) not being a person entitled to use any style or title referred to in section 20, uses such style or title or uses any other name, style, title or description, implying, whether in itself or in the circumstances in which it is used, that such person is entitled to use such style or title;

(c) not being a Certified Public Accountant in Public Practice, holds himself out, whether directly or by implication, to be a Certified Public Accountant in Public Practice;

(d) not being a Certified Public Accountant in Public Practice or a Certified Public Accountant, holds himself out, whether directly or by implication, to be a Certified Public Accountant in Public Practice;

(e) not being a Certified Public Accountant in Public Practice, Certified Public Accountant or Graduate Accountant holds himself out, whether directly or by implication, to be a Graduate Accountant;

(f) being a Graduate Accountant or an Accountant Technician holds himself out whether directly or by implication to be a Certified Public Accountant in Public Practice or a Certified Public Accountant;

(g) not being a firm issued with a Certificate of Clearance holds himself out, whether directly or by implication as having a certificate of clearance;

(h) not having at least one member or partner as a registered Certified Public Accountant in Public Practice or Certified Public Accountant, commits an offence and on conviction is liable to a fine not exceeding six hundred thousand shillings or to imprisonment for a term not exceeding two years or to both.

[PCh286s28]28. Restriction on practice as Certified Public Accountant in Public Practice Act No. 2 of 1995 s. 19

(1) No person other than a Certified Public Accountant or a Certified Public Accountant in Public Practice shall carry on business as an accountant or, as the case may be, an auditor.

(2) For the purposes of this section a person shall be deemed to be carrying on the business of an accountant or, as the case may be, an auditor if he, for a fee, reward or any

other material consideration whatsoever, renders to another person in Tanzania services as an accountant or, as the case may be, an auditor:

Provided that a person shall be deemed not to be carrying on business of an accountant or an auditor if he renders such services to his employer by whom he is employed under a contract of service on a full-time basis.

(3) It shall be unlawful for a body of persons, whether corporate or unincorporated, to carry on business as accountants or certified Public Accountant in Public Practice as the case may be:

Provided that where the majority of the partners, shareholders or members, as the case may be, of such body of persons are certified Public Accountants in Public Practice, the remaining being certified Public Accountants, then the body of persons may lawfully carry on business as auditors.

(4) Where a shareholder, partner or member of a body of persons, whether corporate or unincorporated, carrying on business as auditors or accountants dies, such body of persons may, notwithstanding the provisions of subsection (3), continue to carry on the business until such time as the administration of the estate of the deceased is completed, as if such legal representatives were certified Public Accountants or, as the case may be, authorised auditors.

(5) Nothing in this Act shall be construed as entitling any body of persons, whether corporate or unincorporated, to be registered as, or as empowering the Registrar to register any body of persons as, certified Public Accountant in Public Practice, Certified Public Accountants, or approved accountants.

(6) Any person who in contravention of the provisions of this section carries on business as an auditor or as an accountant commits an offence and on conviction is liable to a fine not exceeding seven hundred and fifty thousand shillings or to imprisonment for a term not exceeding five years or to both.

[PCh286s29]29.      Restriction on employment of accountants Act No. 2 of 1995 s. 20

(1) No person shall employ or continue to employ as an auditor any person who is not an certified Public Accountant in Public Practice.

(2) No person shall employ or continue to employ as an accountant any person who is not—

(a)      a Certified Public Accountant; or

(b)      a Graduate Accountant.

(3) No person shall take up or continue in any employment as an auditor unless he is a Certified Public Accountant in Public Practice.

(4) No person shall take up or continue in any employment as an accountant unless he is a Certified Public Accountant, or Graduate Accountant.

(5) No person shall take or continue in any employment as an Accounting Technician unless he is an Accounting Technician.

(6) Any person who contravenes any of the provisions of this Act commits an offence and on conviction is liable to a fine not less than two hundred thousand shillings but not exceeding six hundred thousand shillings or to imprisonment for a term not exceeding two years or to both.

(7) In this section "employ" means employ under a contract of service or under a contract for services and "employment" shall be construed accordingly.

(8) Where an employer employs any person as a trainee accountant for the purpose of affording such employee an opportunity of being trained as an accountant, this section shall not apply to such employer or such employee in relation to the employee's employment for the period of twelve months immediately following the employment or appointment of such employee in or to the office of a trainee accountant:

Provided that no person who, having been employed by one employer as a trainee accountant, shall be employed by or take up employment with another or subsequent employer as a trainee accountant save for a period representing the difference between twelve months and the period or the aggregate of periods during which he was employed as such by his previous employer or employers, and any contravention of the provisions of this proviso shall be an offence against this section and be punishable in accordance with the provisions of subsection (5).

(9) The provisions of this section shall extend to every employment as an accountant or auditor in the service of the United Republic, but shall not extend to the employment by the Government or any other person or body of persons, or the Controller and Auditor-General or the Tanzania Audit Corporation.

[PCh286s30]30. Compulsory employment of Certified Public Accountant in Public Practice Act No. 2 of 1995 s. 21

(1) Every body of persons, whether corporate or unincorporated, engaged in Tanzania in any trade, business or profession, which has—

(a) assets in Tanzania the value of which exceeds one hundred million shillings;

or

(b) an annual gross turnover in Tanzania exceeding fifty million shillings,

shall employ at least one Certified Public Accountant or one Certified Public Accountant in Public Practice.

(2) Without prejudice to the provisions of subsection (1) of this section, every body of persons, whether corporate or unincorporated, engaged in Tanzania in any trade, business or profession, which has—

(a) assets in Tanzania the value of which is less than one hundred million shillings; or

(b) an annual gross turnover in Tanzania which is less than fifty thousand million shillings,

shall keep proper books of accounts.

(3) Any body of persons which contravenes the provisions of this section commits an offence and on conviction is liable to a fine not exceeding six hundred thousand shillings.

[PCh286s31]31. Provisions relating to income tax returns Act No. 2 of 1995 s. 22

(1) No person shall submit his income tax return to the appropriate authority unless such return has been prepared or certified by a Certified Public Accountant or a Certified Public Accountant in Public Practice.

(2) The provisions of subsection (1) shall not apply to an individual—

- (a) the whole of whose income is derived from employment; or
  - (b) the whole of whose gross annual income is less than five million shillings.
- (3) For the purposes of subsection (1)–

"appropriate authority" means the public officer to whom income tax return is required to be submitted under the Income Tax Act \*;

"income tax" means the tax payable under the Income Tax Act \*;

"income" and "gross income" shall mean income or, as the case may be, gross income as defined in the Income Tax Act \*, but accrued in or derived from the United Republic.

(4) Every audited balance sheet or profit and loss account of a body corporate required to be submitted to any public officer or public authority under the Companies Act \* , or any other written law shall be either prepared or certified by a Certified Public Accountant in Public Practice.

(5) Any person who contravenes any of the provisions of this section commits an offence and on conviction is liable to a fine not less than three hundred shillings but not exceeding nine hundred thousand shillings or to imprisonment for a term not exceeding two years or to both.

[PCh286s32]32. Repealed

[Repealed by Act No. 2 of 1995 s. 23.]

[PCh286s33]33. Repealed

[Repealed by Act No. 2 of 1995 s. 24.]

[PCh286s34]34. No prosecution for offences under Part VI

(1) No person shall be prosecuted for any offence under this Part where such offence is committed within the period of twelve months immediately succeeding the date of commencement of this Act.

(2) The Minister may, by order in the Gazette, extend the period of twelve months provided for in subsection (1) by such further period as he may specify in such order.

## PART VII

### ACTIVITIES OF THE BOARD AND FINANCIAL PROVISIONS (ss 35-41)

[PCh286s35]35. Board may delegate its functions

The Board may delegate its functions under this Act to any officer or committee of the Board.

[PCh286s36]36. Accounts and audit Act No. 2 of 1995 s. 25

(1) the Board shall cause to be kept proper accounts and shall, as soon as practicable after the end of each financial year cause such accounts relating to such financial year together with—

- (a) a statement of income and expenditure during such financial year; and
- (b) a statement of the assets and liabilities of the Board on the last day of such

financial year,

to be submitted to and audited by the Tanzania Audit Corporation or any other external auditor selected from among names of external auditors proposed by the Board.

(2) Copies of the statements referred to in subsection (1) and a copy of the Auditors' report shall be forwarded to the Minister.

[PCh286s37]37. Chairman's report Act No. 2 of 1995 s. 26

The Chairman shall, at the end of each financial year, prepare a report of the activities of the Board during that financial year and submit such report to the Minister.

[PCh286s38]38. Funds of the Board

The funds and resources of the Board shall consist of—

(a) such sums as may be provided for the purposes of the Board by Parliament, either by way of grant or Loan;

(b) such sums as the Board may receive by way of grant or loan from any person or organisation;

(c) such sums as the Board may, with the consent of the Minister, borrow for the purposes of the Board;

(d) such sums as may, in any manner, become payable to or vested in the Board either under the provisions of this Act or any other written law, or incidental to the carrying out of its functions.

[PCh286s39]39. Power to invest

The Board shall have power to invest its funds in such investments as are authorised by, and subject to such conditions as are prescribed by, the Trustee Investments Act \*, in relation to investments of funds by a trustee.

[PCh286s40]40. Annual statement of accounts Act No. 2 of 1995 s. 27

The Minister shall cause to be laid before the National Assembly, as soon as may be practicable after he has received them—

- (a) copies of the statements referred to in subsection (1) of section 36 together with a copy of the Auditors' report;
- (b) a copy of the Chairman's report.

[PCh286s41]41. Minister may give directions

The Minister may, by writing under his hand, give the Board directions of a general or specific nature, and the Board shall comply with every such direction.

## PART VIII

### GENERAL PROVISIONS (ss 42-47)

[PCh286s42]42. Offences Act No. 2 of 1995 s. 28

Any person who—

- (a) fraudulently makes, or causes or permits to be made, any false or incorrect entry in the register or any copy thereof; or
- (b) fraudulently procures or attempts to procure, whether for himself or any other person, registration as a Certified Public Accountant, in Public Practice, Certified Public Accountant, Graduate Accountant or Accounting Technician; or
- (c) knowingly and wilfully makes any statement which is false in a material particular, or which is misleading, with a view to gaining any advantage, concession or privilege under this Act, whether for himself or for any other person,

commits an offence and is liable on conviction to a fine not exceeding six hundred thousand shillings or to imprisonment for a term not exceeding two years or both.

[PCh286s43]43.       Consent of Director of Public Prosecutions

No person shall be prosecuted for an offence under this Act save with the consent of the Director of Public Prosecutions.

[PCh286s44]44.       Regulations Act No. 2 of 1995 s. 29

Subject to the provisions of section 39, the Minister may after consultation with the Board and by notice published in the Gazette make regulations generally for the better carrying out of the provisions of this Act and any such regulations may provide for—

- (a)     the conduct of the business of the Board and the procedure to be followed by the Board in any inquiry under this Act;
- (b)     the appointment by the Board amongst its members of subcommittees and the co-option of persons;
- (c)     the duties of the Registrar;
- (d)     anything which is permitted or required by this Act to be prescribed, other than any matter or thing to be prescribed by the Board.

[PCh286s45]45.       By-laws Act No. 2 of 1995 s. 30

(1) With the consent of the Minister the Board may make by-laws for the better carrying out of its objects and functions may make by-laws—

- (a)     prescribing degrees, diplomas, certificates, awards and other qualifications which shall be recognised as entitling the holder to registration under this Act;

(b) prescribing diplomas, certificates and other awards which may be conferred or granted by the Board;

(c) prescribing the conditions which must be satisfied before any diploma, certificate or other award may be granted;

(d) prescribing the manner in which diplomas, certificates or other awards may be granted;

(e) regulating the conduct of examinations;

(f) prescribing fees for admission to any course offered by the Board;

(g) prescribing fees payable by the candidates for any examination held or conducted by the Board;

(h) providing for and regulating disciplinary proceedings against the officers of the Board, the students and candidates;

(i) prescribing rules for professional conduct and ethics for accountants and auditors;

(j) prescribing rules, terms and conditions for registration;

(k) prescribing the fees to be paid on application for registration, the issue of certificate of practice and for extracts copies and lists of, or in relation to, entries in the register;

(l) prescribing classification within the registers for different levels or types of qualifications and competence;

(m) prescribing the scale of fees which may be charged by accountants and auditors for services rendered by them;

(n) authorising the Executive Director to arbitrate on any dispute as to fees charged by any accountant;

(o) prescribing rules and procedures for exemption of part of the Board's examination scheme;

(p) prescribing anything which may, or is required to be prescribed by the Board.

(2) It shall not be necessary for the by-laws made under this section to be published in the Gazette.

[PCh286s46]46. Proceedings of the Board not to be invalid by reason of irregularity

No act or proceeding of the Board shall be invalid by reason only of the number of the members not being complete at the time of such act or proceeding or of any defect in the appointment of any member or of the fact that any member was at the time in question disqualified or disentitled to act as such.

[PCh286s47]47. Repeal of R.L. Cap. 314

[Repeals the Accountants (Designation) Ordinance.]

## SCHEDULE

(Section 3(3))

1. Composition of the Board, Chairman and members' tenure of office

(1) The Board shall consist of a chairman who shall be appointed by the President.

(2) The Minister shall, after consultation with the Board, appoint–

- (a) the Executive Director;
- (b) six other members;

and no person shall be appointed unless he has knowledge and practical experience of accountancy profession; and

(c) five other members to be recommended by the association representative of all accountancy professionals.

(3) The Executive Director appointed under subparagraph (2) of this paragraph shall be an ex officio member of the Board.

(4) The chairman of the Board may, unless he resigns or his membership is otherwise terminated, hold office for a maximum of two consecutive terms of three years each term.

(5) A member of the Board shall hold office for three years unless–

- (a) he resigns;
- (b) he otherwise vacates his office;
- (c) his appointment is revoked by the appointing authority; or
- (d) he fails to attend to three consecutive meetings without reasons to the

satisfaction of the Board.

(6) The appointing authority may fill in any vacancy occurring in the membership, and may revoke the appointment of any member, and appoint a replacement in accordance with subparagraph (2) of this paragraph.

(7) A member may resign by giving notice in writing to the appointing authority of his intention to do so.

(8) In this paragraph "appointing authority" means the Minister.

2. Election of Vice-Chairman Act No. 2 of 1995 s. 31

(1) The members shall elect a Vice-Chairman of the Board from amongst their number for period of three years from the date of this election and shall be eligible for re-election.

(2) The Vice-Chairman shall hold office for a period of three years from the date of his election and shall be eligible for re-election.

3. Meetings of the Board

(1) Subject to the provisions of subparagraph (2) of this paragraph, the Board shall meet not less than four times in every year and all meetings of the Board shall be convened by the Chairman, or in his absence from the United Republic or incapacity through illness, the Vice-Chairman, who shall appoint a suitable time, place and date for the holding of each meeting.

(2) The Chairman, or in his absence from the United Republic or incapacity through illness, the Vice-Chairman, shall convene special meeting of the Board on a request in writing signed by not less than four members of the Board for such a meeting and shall cause the meeting to be held within twenty-one days of the receipt by him of such request.

(3) The Chairman, or in his absence, the Vice-Chairman shall preside at the meeting of the Board; and in the absence of both the Chairman and the Vice-Chairman the

members present at the meeting shall elect one of their number to be Chairman for that meeting.

4. Quorum and voting at meetings

(1) Five members shall constitute a quorum at any meeting of the Board.

(2) All acts, matters and things authorised to be done by the Board shall be decided by resolution at a meeting of the Board at which a quorum is present.

(3) A decision of the majority of members present and voting at a meeting of the Board shall be deemed to be a decision of the Board.

(4) Every member of the Board shall have one vote and in the event of an equality of votes the Chairman of the meeting shall have a second or casting vote in addition to his deliberative vote.

(5) Notwithstanding the provisions of subparagraph (2), where the Chairman so directs, a decision may be made by the Board without a meeting by circulation of the relevant papers among all the members and the expression in writing of their views, but any member shall be entitled to require that any such decision shall be deferred until the subject matter shall be considered at a meeting of the Board.

(6) The Board shall appoint Committees as are necessary to conduct the affairs of the Board.

5. Minutes of meetings

Minutes in proper form of each meeting of the Board shall be kept and shall be confirmed by the Board at the next meeting and signed by the Chairman of the meeting.

6. Procedure

Subject to the provisions of this Schedule and to any regulations which may be made under this Act, the Board shall have power to regulate its own procedure.

7. The seal of the Board

The seal of the Board shall not be affixed to any instrument except in the presence of the Chairman, the Vice-Chairman or the secretary and one other member of the Board.

8. Executive Director to be secretary

The Executive Director shall act as the secretary of the Board and shall be entitled to be present and speak, but not to vote, at the meetings of the Board.

9. Staff

The Board may, with the consent of the Minister, appoint such other officers as it may consider necessary on such terms and conditions as may be prescribed by regulations