

A BILL

FOR

AN ACT TO AMEND THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA ACT 1965 AND FOR RELATED MATTERS

Sponsored by Hon. Linus Okorie

[] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

- 1 1. The Institute of Chartered Accountants of Nigeria Act (in this Amendment of
2 Act referred to as "the Principal Act" is amended as set out in this Act. 1965 No. 15
- 3 2. Section 1 of the principal Act is amended by inserting a new Insertion of
4 sub-section (d) that is: subsection 1(d)
- 5 (d) "Setting and issuing Standards on Auditing for its members,
6 reviewing them from time to time and monitoring compliance therewith".
- 7 3. Section 2 of the Principal Act is amended thereof by inserting Insertion of new
8 the following new Heading, that is: heading
- 9 "ELECTION OF PRESIDENT, VICE PRESIDENT, 1ST DEPUTY VICE
10 PRESIDENT AND 2ND DEPUTY VICE PRESIDENT"
- 11 4. Section 2(1) of the principal Act is amended by substituting Amendment of
12 therefore the following new subsections that is: Section 2
- 13 (1) There shall be a President, a Vice President, a 1st Deputy Vice
14 President, a 2nd Deputy Vice President and an Honorary Treasurer of the
15 Institute who, shall be elected by the Council under this Act and hold office
16 each for a term of one year from the date of election.
- 17 (2) The President shall be Chairman at meetings of the Institute, so
18 however that, in the event of the death, incapacity or inability for any reason
19 of the President to act, the Vice-President shall act in his stead for the un-
20 expired portion of the term of office, or as the case may require, and
21 references in this Act to the President shall be construed accordingly."

1 5. Section 2(2) of the Principal Act is amended by renumbering the
2 existing subsection (2) as section (3) accordingly.

3 6. Section 2(3) of the Principal Act is amended by substituting
4 therefore the following new sub-section and renumbering it as section 3(4) that
5 is:

6 “If any office holder ceases to be a member of the Institute, he shall
7 cease to hold any office of the Institute.”

Creation of new
Section 5

8 7. Section 2 of the Principal Act is further amended by creating the
9 following new Sub- Section (5), that is:

10 (5) Without prejudice to paragraph 1(4) of the First Schedule to this
11 Act, The tenure of the immediate Past President shall be one year from the date
12 he ceases to hold office, as president and he shall not be eligible for re-election
13 into the Council at the expiration of his tenure.”

Amendment of
Section 3

14 8. Section 3 of the principal Act is amended by substituting therefore
15 the following new Section that is:

16 3. “There shall be a governing body of the Institute to be known as the:

17 (1) Council charged with the administration and general management
18 of the Institute.

19 (2) The Council shall consist of Thirty Five members being Fellows
20 or Associates as follows:

21 (a) Two members to be appointed by the Minister, each of whom shall
22 be a Chartered Accountant;

23 (b) Four members appointed by the Council on the basis of National
24 geographical spread;

25 (c) The President, the Vice President, The first deputy Vice President,
26 the 2nd Deputy Vice President and the immediate Past President;

27 (d) Twenty-four members elected by the Institute of whom thirteen
28 shall be members of the Institute in practice as Accountants and eleven not in
29 practice.

30 (3) The provisions of the First Schedule to this Act shall have effect

1 with respect to the qualifications and tenure of office of members of the
2 Council and other matters there mentioned.

3 (4) Regulations made by the Council may provide for increasing its
4 membership or altering its composition and make such amendments to
5 subsection (2) of this section and paragraph 1 of the First Schedule to this
6 Act subject to the approval of members of the Institute in a general meeting.

7 9. Section 3 of the Principal Act is further amended by creating a
8 new subsection (5) that is:

Creation of the
ECC

9 (1) "There shall be an Executive Coordinating Committee of the
10 Council which shall consist of the following office holders:

- 11 (a) The President;
12 (b) The Vice President;
13 (c) The First Deputy Vice President;
14 (d) The Second Deputy Vice President; and
15 (e) The Immediate Past President."

16 (2) The Functions and the mode of operation of the ECC shall be as
17 prescribed by the Council.

18 (3) The quorum at meetings of the Committee shall be four.

19 (4) The Decisions of the ECC shall be subject to ratification by the
20 Council.

21 10. Section 4 of the Principal Act is amended by inserting after
22 subsection (5) the following new subsections (6), (7), (8), (9), and (10) that is:

Amendment of
Section 4

23 "The terms and conditions of service including remuneration,
24 allowances, (6) benefits of employees of the Institute shall be determined by
25 the Council.

26 (7) Employees of the Institute shall be entitled to pensions,
27 gratuities and other benefits as prescribed by the Pensions Reform Act 2004.

28 (8) The Council shall pay such reasonable expenses of its
29 members, members of its committees and remuneration of any other

1 person(s) whether member of the Institute or not, who render services to the
2 Institute.

3 (9) (a) The Council may create a Chartered Accountants Benevolent
4 and Educational Fund;

5 (b) The fund shall be managed by a Board of Trustees and a
6 Management Committee both to consist of members appointed by the Council;

7 (c) The fund shall provide assistance to indigent or distressed or ill or
8 incapacitated members of the Institute;

9 (10) "The Council may create other funds as it deems fit."

Insertion of new
heading

10 11. Section 6 of the Principal Act is amended by inserting a new
11 heading that is:

12 "REGISTRAR/CHIEF EXECUTIVE AND THE REGISTER"

Amendment
of Section 6

13 12. Section 6 of the Principal Act is further amended by substituting
14 subsection (1) with the following new subsection that is:

15 (1) "There shall be for the Institute a Registrar/Chief Executive who
16 shall be a member of the Institute, appointed by the Council on such terms and
17 conditions as may be determined by the Council".

18 (2) The Council shall appoint for the Institute such other staff, as it
19 may deem necessary.

Creation of
Registrar/Chief
Executive

20 13. Section 6 of the Principal Act is further amended by substituting
21 the word Registrar with the word Registrar/Chief Executive wherever same
22 appears in this Act.

23 14. Section 7 of the Principal act is amended by inserting the
24 following new subsection (d) that is:

25 (d) "to create and maintain a Register of Members' Firms.

Amendment of
Section 8

26 15. Section 8 of the Principal Act is amended by inserting therefor the
27 following new heading:

28 "REGISTRATION OF CHARTERED ACCOUNTANTS AND CHARTERED
29 ACCOUNTING FIRMS"

30 16. Section 8 of the Principal Act is further amended in Subsection

1 (3)(b) by substituting therefore the following new subsection that is:

2 (b) "that he has attained the age of eighteen years"

3 17. Section 8 of the Principal Act is further amended by inserting
4 therefore a new subsection (7) that is:

5 (7) All members in practice shall register their Firms with the
6 Institute.

7 18. Section 11 of the Principal Act is amended:

Amendment of
Section 11

8 (a) in subsection (2) thereof by substituting therefor the following
9 new subsection. That is:

10 The Tribunal shall consist of:

11 (a) The President and Vice President of the Institute who shall be
12 the Chairman and Vice Chairman of the Tribunal respectively;

13 (b) Six Council members, two Past Presidents and two Chartered
14 Accountants who are not-Council members, all of whom shall be appointed
15 by the Council;

16 (c) The quorum of the Tribunal shall be four, which shall include
17 the President and or the Vice President.

18 (b) In subsection (3) thereof by substituting therefor, the following
19 new subsection that is:

20 (3) There shall be bodies to be known as the Accountants'
21 Investigating Panels (each herein referred to as the Panel") which shall be
22 charged with the duty of:

23 (a) Conducting an investigation into any case where it is alleged
24 that a member has infringed on the code of conduct for members or should
25 for any other reason be subject of proceedings before the Tribunal; and

26 (c) In subsection (4) thereof by substituting therefore the following
27 new subsection that is:

28 (a) Each Panel shall be appointed by the Council and shall consist
29 of six members of whom three shall be Council members;

30 (b) The Chairman of each Panel shall be a Council member;

1 (c) The quorum of each panel shall be three members one of whom
2 shall be a Council member.

Amendment of
Section 12

3 **19.** Section 12 of the Principal Act is amended:

4 (a) in Subsection (1)(a) by substituting therefor the following new
5 subsection that is:

6 (1) Where:

7 (a) A member is judged by the Tribunal to be guilty of infamous
8 conduct in any professional respect, and or professional Misconduct; or

9 (b) By substituting the proviso immediately after the existing
10 subsection (c) with the following new proviso that is:

11 (c) "The Tribunal may if it deems fit, give a direction reprimanding,
12 imposing a fine, and or suspending that person or firm or ordering the Registrar
13 to strike off the name of the person or firm from the relevant register."

14 **20.** Section 14 of the Principal Act is Amended:

15 (a) in section 14(1) by substituting therefore the following new
16 subsection that is:

17 (1) Subject to Section 15 of this Act and subsection (2) of this Section,
18 a person shall be deemed to practise as an accountant if, in consideration of
19 remuneration received or to be received, and whether by himself or in
20 partnership with any other person.

21 (b) By inserting immediately after the existing subsection (1) (d) the
22 following new subsections (e) and (1) that is:

23 (d) he renders any other service which may by regulations made by
24 the Council be designated as service constituting practice as an Accountant;
25 and

26 (e) He holds a current licence to practice.

Insertion of
Section 14A

27 **21.** The principal Act is Amended by inserting immediately after the
28 existing Section 14, a new Section 15 that is:

Areas of Practice
of a Chartered
Accountant and
creation of a new
Section 15

29 15. A Chartered Accountant shall be entitled to practice or hold
30 himself out to practice as an Auditor, a Reporting Accountant, Financial

1 Accounting Services practitioner, Company Secretarial Services
2 Practitioner, Enterprise wide risks services Practitioner, Tax Practitioner, an
3 Investigations and Forensic Accounting Practitioner, an Information
4 Technology Practitioner, an Insolvency Practitioner, a Corporate and Public
5 Finance Practitioner, a Management Consultant, and such other ancillary
6 areas of Practice which may by Regulations made by the Council subject to
7 the approval of the Minister be designated as services constituting the
8 practice of a Chartered Accountant.

9 22. Section 15 of the Principal Act is amended by renumbering
10 same as Section 16 and inserting immediately after subsection (3) a new
11 subsection (4) that is:

Amendment of
Section 15 and
renumbering as
section

12 (4) "the Council may organize, establish, finance and maintain a
13 system or arrangements for practice assurance, consisting inspection,
14 monitoring and review of the professional and efficiency and competence
15 of:

16 (a) Any member or Firm which is wholly or partly composed of
17 members engaged in practice;

18 (b) Any member who holds a current practising licence".

19 23. Section 16 of the Principal Act is amended by renumbering
20 same as Section 17 and inserting immediately after the existing subsection

Amendment of
Section 16

21 (b) the following new subsections (c) and (d) that is:

22 (c) make grants to universities or other educational establishments,
23 and endow professorial chairs,

24 (d) publish or distribute books, manuals, pamphlets and journals
25 relating to the affairs of the Institute or promoting and furthering the
26 interests, usefulness and efficiency of members and others or of the
27 accountancy profession generally.

28 24. The Principal Act is amended further by renumbering the
29 existing Section 17 as Section 18, and the existing Section 18 as Section 19
30 respectively.

Insertion of new
Section 20

1 **25.** The principal Act is amended by inserting immediately after the
2 new section 19, a new section 20 that is:

3 20. "ESTABLISHMENT OF FACULTIES"

4 (1) The Institute shall establish Faculties for the purposes of
5 specialization into various fields of accountancy.

6 (2) The Faculties of the Institute are as indicated in the Fourth
7 Schedule to this Act, and as may by regulations made by Council be established
8 from time to time as it deems fit.

9 (3) The Council shall have powers to regulate, organize and re-
10 organize the faculties as necessary from time to time.

Insertion of a
new section 21

11 **26.** The Principal Act is amended by inserting immediately after the
12 new section 20, a new Section 21 that is:

13 21. ESTABLISHMENT OF ACCOUNTING TECHNICIANS SCHEME

14 (1) The Institute shall establish a scheme for the training and
15 qualification of Accounting Technicians.

16 (2) Persons qualified as Associates of the Scheme shall be authorized
17 to use the designatory letters "AAT" for Associates of the Accounting
18 Technicians Scheme or such other letters as the Institute may adopt.

19 (3) The Council shall have powers to regulate the scheme as
20 necessary from time to time as it deems fit.

Insertion of
Section 21

21 **27.** The Principal Act is amended by inserting immediately after the
22 new section 21, a new Section 22 that is:

23 22. This Act supersedes the provisions of any other Act, which
24 purports to diminish, undermine, subjugate or otherwise superintend over the
25 provisions of this Act.

26 **28.** Section 19 of the Principal Act is amended by renumbering it as
27 Section 23 and substituting the existing interpretations with the following new
28 interpretations that is:

29 Accountancy practice includes auditing, investigations and forensic
30 accountancy practice, Financial Accounting Services, Company Secretarial

1 Services, Enterprise wide risks services tax practice, consultancy practice,
2 insolvency including receivership and liquidation, financial advisory
3 services, management consultancy practice, information and
4 communication technology practice;

5 Chartered Accountant means an accountant enrolled as a fellow or associate
6 member of the Institute, who practices as an auditor, Reporting Accountant,
7 information technology practitioner, Tax Practitioner, insolvency
8 practitioner; corporate and public finance Practitioner, a management
9 consultant;

10 Council under this Act means the Council established as the governing body
11 of the Institute under section 3 of this Act;

12 enrolled, in relation to a fellow or an associate, means registered in the part
13 of the register relating to fellows or associates as the case may be; fees
14 includes annual subscriptions;

15 Institute means the Institute of Chartered Accountants of Nigeria under this
16 Act;

17 Infamous conduct means any act or omission, which are inconsistent with
18 the code of conduct for members and or, which may be reasonably construed
19 to be shameful or disgraceful;

20 Members in practice include members of the Institute who engage in any
21 accountancy practice;

22 Members not in practice are members who are in employment either in
23 companies, corporations, industries, government establishments, Firms and
24 other profit or non profit organizations;

25 Minister means the Minister of the Government of the Federation charged
26 with responsibility for Finance;

27 Panel has the meaning assigned by section 11 of this Act;

28 Professional Misconduct means any dishonest act or attempt to subvert the
29 course of the accounting profession, by use of deceptive or reprehensible
30 methods, whether deliberate or not;

1 Registered accountant means a member of the Institute who is not a Fellow or
2 an Associate member;

3 Register means the register maintained in pursuance of section 6 of this Act;

4 Tribunal has the meaning assigned to it by section 11 of this Act.

5 29. The Principal Act is amended by renumbering the existing
6 section 20 as the new Section 24.

Short title 7 30. This Bill may be cited as the Institute of Chartered Accountants of
8 Nigeria (Amendment) Bill, 2017.

Amendment of
First Schedule 9 31. The first schedule to the Principal Act is amended:

10 1. By inserting immediately after the existing paragraph 1(3) a new
11 sub (a) paragraph (4) that is:

12 (4) "An Appointed member of the Council shall not be elected by
13 Council into the Executive Coordinating Committee of Council."

14 (b) By substituting the existing Paragraph 1(4) for the following new
15 sub paragraph 1(5) and renumbering same accordingly that is:

16 (5) Any member other than the immediate past president, who retires
17 from or otherwise ceases to be an elected member of the Council, shall be
18 eligible for re election into the Council.

19 (c) By inserting immediately after the new paragraph 1(5) a new sub
20 paragraph (6) that is:

21 (6) An appointed member of the Council shall serve for one term of
22 three years only and shall not be eligible for re-appointment thereafter.

23 (d) By substituting the existing paragraph 1(5) for the following new
24 sub paragraph and renumbering same as paragraph 1 (7) that is:

25 (7) The Council shall at least three months before the annual General
26 meeting of the Institute announce the vacancies in its membership.

27 (e) By renumbering the existing sub paragraph (6) as (8) and the
28 existing sub paragraph (7) as (9) respectively;

29 (f) By substituting the existing paragraph 4 with the following new
30 paragraph that is:

1 4. The quorum of the Council shall be ten; and the Council shall fix
2 the quorum of a committee of the Council excluding the ECC.

3 (g) By substituting the existing paragraph 5(3) with the following new
4 sub paragraph (3) that is:

5 (3) "The quorum of any general meeting of the Institute shall be fifty
6 members and that of any special meeting of the Institute shall be Seventy-five
7 members".

8 (h) By substituting the existing paragraph 6(2) with the following new
9 sub paragraph (2) that is:

10 (2) "At any meeting of the Council, the Chairman or in his absence,
11 any member of the Executive Coordinating Committee of Council in order of
12 hierarchy shall preside; but if all are absent, the members present at the meeting
13 shall appoint one of the members at that meeting to preside".

14 (i) By substituting the existing paragraph 7(2) with the following new
15 sub paragraph (2) that is:

16 (2) "A committee appointed under this paragraph shall consist of the
17 number of persons determined by the Council, of whom not less than one-fifth
18 shall be members of the Council; and a person other than a member of the
19 Council shall hold office on the committee in accordance with the terms of the
20 instrument by which he is appointed."

21 (j) By inserting immediately after the existing paragraph 7(3) a new
22 paragraph 7(4) that is:

23 (4) "Faculty Boards, as constituted from time to time shall be
24 Committees of the Council."

25 32. The Third Schedule to the Principal Act is amended by
26 substituting therefore the following new Paragraph 1, that is:

27 1. "The quorum of the Tribunal shall be four one of whom shall be the President
28 and Chairman of the Council or the Vice President and Vice Chairman of
29 Council."

