

**Cost and Management Accountants
Act, 1966**

&

**Cost and Management Accountants
Regulations, 1990
(Amended upto November 11, 2014)**



ICMA
Pakistan

**Institute of Cost and Management
Accountants of Pakistan**

Cost and Management Accountants Act, 1966 & Regulations, 1990 (Amended upto November, 2014)

FOREWORD

The significance of policies and regulations for the smooth and effective governance of any organization cannot be overemphasized. The regulations form an integral part of the legal framework of any institution which provides guidance in operations; decision making and compliance to different requirements of the law.

ICMA Pakistan, being created as a statutory body, through an Act of Parliament, for regulating the profession of management accounting in Pakistan, is also governed by the Cost and Management Accountants (CMA) Act, 1966 and Cost and Management Accountants Regulations, 1990. The first official booklet on CMA Act and Regulations were published by the Institute way back in 1999 as a reference guide of its members. With the passage of time, various amendments were made in the Act and Regulations of the Institute, especially during last few years and enforced through different gazette notifications. These dispersed notifications caused confusion amongst the members to interpret the different provisions of the prescribed Act and Regulations. Hence, a dire need was felt by the Council to consolidate all these amendments in shape of an official version.

A Committee was formed under the chairmanship of Mr. Mirza Munawar Hussain, FCMA and comprising of Mr. Qaiser Mufti, FCMA, former Vice President ICMAP; Mr. Abid M. Anwar, FCMA and Mr. Noor Mohammad, FCMA, as members, to synchronize the Act and Regulations with the amendments made from time to time. The consolidated version of the Act and Regulations, prepared by the Committee, was later reviewed by a two-member Review Committee formed by the National Committee, headed by the Vice President, Mr. Anis ur Rehman and Mr. Waqar Ali Khan as its member. The document was then approved by the Council.

I must acknowledge the efforts of both the Committees for their splendid efforts due to which I am now pleased to present this revised and updated version of Cost and Management Accountants (CMA) Act, 1966 and Cost and Management Accountants Regulations, 1990 which incorporates all the amendments made till date. I am confident that the members will now be able to refer to this official version of booklet as an authentic and reliable reference document with regard to governing act and regulations of the Institute.

Mohammad Iqbal Ghori, FCMA
President

THE COST AND MANAGEMENT ACCOUNTANTS ACT, 1966

(ACT NO. XIV OF 1966)

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**¹THE COST AND ²[MANAGEMENT]
ACCOUNTANTS ACT, 1966
ACT NO. XIV OF 1966**

An Act to make provision for the regulation of the profession of cost and ³[management] accountants

WHEREAS it is expedient to make provision for the regulation of the profession of cost and ⁴[management] accountants and for that purpose to establish an institute of cost and ⁵[management] accountants;

AND WHEREAS the national interest of Pakistan in relation to the achievement of uniformity within the meaning of clause (2) of Article 131 of the Constitution requires Central legislation in the matter;

It is hereby enacted as follows:—

**CHAPTER – I
PRELIMINARY**

1. Short title, extent and commencement.—

- (1) This Act may be called the ⁶[Cost and Management Accountants] Act, 1966.
- (2) It extends to the whole of Pakistan.
- (3) It shall come into force on such date as the ⁷[Federal Government] may, by notification in the official Gazette appoint in this behalf.⁸

1 The National Assembly of Pakistan passed the Cost and Industrial Accountants Act, 1966 (Act No. XIV of 1966) which received the assent of the President on 14-07-1966 and published in the Gazette for Pakistan – Extraordinary from Rawalpindi dated the July 19, 1966. It appeared at pages 703 through 716.

The Act was amended in 1976 through the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976), published in the Gazette of Pakistan, Extraordinary on pages 610 through 612.

2 Substituted for “industrial” by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

3 Substituted for “industrial” by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

4 Substituted for “industrial” by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

5 Substituted for “industrial” by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

6 Substituted for “Cost and Industrial Accountants” by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

7 Substituted for “Central Government” by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

8 This Act came into force on 20th August, 1966 as notified vide S.R.O. No. 771(K)/66, dated 18th August, 1966.

2. Definitions.—

- (1) In this Act, unless there is anything repugnant in the subject or context.—
- (a) “**associate**” means an associate member of the Institute;
- ¹[(aa) “**cost and management accountant**” means a person who is an associate or a fellow member of the Institute;]
- (b) “**Council**” means the Council of the Institute;
- (c) “**dissolved company**” means the company registered under the Companies Act, 1913 (VII of 1913), as the Pakistan Institute of Industrial Accountants;
- (d) “**fellow**” means a fellow member of the Institute;
- ²[(e) Omitted].
- (f) “**Institute**” means the ³[Institute of Cost and Management Accountants of Pakistan] constituted under this Act;
- (g) “**prescribed**” means prescribed by regulations made under this Act;
- (h) “**President**” means the President of the Council;
- (i) “**Register**” means the Register of members of the Institute maintained under this Act;
- (j) “**Vice-President**” means the Vice-President of the Council; ⁴
- (k) “**year**” means the financial year.
- (2) Save as otherwise provided in this Act, a member of the Institute shall be deemed “to be in practice” when, individually or in partnership with one or more members of the Institute in practice, he in consideration of remuneration received or to be received,
- (a) engages himself in the practice of cost and ⁵[management] accounting; or
or
- (b) offers to perform service involving the costing or pricing of goods or services or the preparation, verification or certification of cost accounting

1 Clause (aa) inserted by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

2 Clause (e) omitted by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976). Before omission, the clause read as below:

“(e) “**industrial accountant**” means a person who is an associate or fellow member of the Institute;”

3 Substituted for “Institute of Cost and Industrial Accountants” by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

4 Word “and” appears to be missing in the Gazette.

5 Substituted for “industrial” by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

and related statements, or holds himself out to the public as a cost and ¹[management] accountant; or

- (c) renders professional service or assistance in or about matter of principles or ²detail relating to the cost and ³[management] accounting procedures, or the recording, presentation or the certification of costing facts or data; or
- (d) renders such other services as, in the opinion of the Council, are or may be rendered by a ⁴[cost and management] accountant;

and the expression "to be in practice", with its grammatical variations and cognate expressions, shall be construed accordingly.

Explanation.— A member of the Institute who is a whole-time salaried employee of any person shall not be deemed "to be in practice" within the meaning of this sub-section.

CHAPTER – II

⁵[INSTITUTE OF COST AND MANAGEMENT ACCOUNTANTS OF OF PAKISTAN]

3. Incorporation of the Institute.—

- (1) All persons whose names are entered in the Register at the commencement of this Act and all persons who may hereafter have their names entered in the Register under the provisions of this Act, so long as they continue to have their names borne on the said ⁶Register, are hereby constituted a body corporate by the name of the ⁷[Institute of Cost and Management Accountants of Pakistan] and all such persons shall be known as members of the Institute.
- (2) The Institute shall have perpetual succession and a common seal, and shall have power to acquire, hold and dispose of property, both movable and immovable, and shall by its name sue or be sued.

1 Substituted for "industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

2 May be read as "details".

3 Substituted for "industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

4 Substituted for "an industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

5 Substituted for "PAKISTAN INSTITUTE OF INDUSTRIAL ACCOUNTANTS" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

6 May be read as "Register".

7 Substituted for "Pakistan Institute of Industrial Accountants" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

4. Entry of names in the Register.—

- (1) The following persons shall be entitled to have their names entered in the Register, namely:—
- (a) any person who was, immediately before the commencement of this Act, a fellow or associate of the dissolved company;
 - (b) any person who has passed such examination and completed such training as may be prescribed for membership of the Institute;
 - (c) any person who has passed such other examination and completed such other training outside Pakistan as is recognised by the ¹[Federal Government], or by the Council with the approval of the ²[Federal Government], as being equivalent to the examination and training prescribed for membership of the Institute and, in case he is not permanently residing in Pakistan, fulfils such other conditions as the ³[Federal Government], or the Council with the approval of the ⁴[Federal Government], as the case may be, may deem fit to impose;
 - (d) any person domiciled in Pakistan, who is, at the commencement of this Act, whether within or without Pakistan,—
 - (i) studying for any foreign examination and also undergoing training and passes such examination and completes such training within three years of such commencement, or
 - (ii) undergoing training, having passed any such foreign examination, and completes such training within the said period,
 if such foreign examination and training are recognised by the ⁵[Federal Government], or by the Council with the approval of ⁶[Federal Government], as being equivalent to the examination and training prescribed for membership of the Institute.
- (2) The Council shall, as early as possible, take such steps as may be necessary for having the names of all such persons as are mentioned in clause (a) of sub-section (1) entered in the Register without any application being made in that behalf or the payment of any fee and the name of every such person so entered shall be deemed to have been entered at the commencement of this Act for the purpose of sub-section (1) of section 3.
- (3) Every person belonging to any of the classes mentioned in clauses (b), (c) and (d) of sub-section (1) may have his name entered in the Register on an

1 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

2 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

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6 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

application made to and granted by the Council in the prescribed manner and on payment of the prescribed fee.

5. Associates and Fellows.—

- (1) Save as otherwise provided in this Act, the members of the Institute shall be divided into two classes designated as fellows and associates.
- (2) A person, other than a person mentioned in sub-section (3), shall, on his name being entered in the Register, be an associate and, so long as his name remains so entered, shall be entitled to use the letters ¹[A.C.M.A.] after his name to indicate that he is an associate of the Institute.
- (3) The name of a person who was, immediately before the commencement of this Act, a fellow of the dissolved company shall be entered in the Register as a fellow of the Institute; and such person, so long as his name remains so entered, shall be entitled to use the letters ²[F.C.M.A.] after his name to indicate that he is a fellow of the Institute.
- (4) A person who has been an associate for a continuous period of not less than five years and who possesses such qualifications as the Council may prescribe, may apply to the Council for admission as a fellow; and if the Council grants his application, his name shall be entered in the Register as a fellow.

Explanation.— In computing the continuous period during which a person has been an associate of the Institute there shall be included any continuous period during which he has been an associate of the dissolved company immediately before he became an associate of the Institute.

- (5) The decision of the Council on an application under sub-session (4) shall be final.

6. Certificate of ³practice.—

- (1) No member of the Institute shall be entitled to practice within Pakistan unless he holds a certificate of practice granted by the Council.
- (2) The Council may grant a certificate of practice to a member of the Institute who applies in the prescribed form and pays the prescribed annual fee for such certificate.
- (3) Every member holding a certificate shall pay the annual fee for every year which shall be due on the first day of July of that year.
- (4) A certificate of practice shall be liable to be cancelled for default in payment of the annual fee for any year.

1 Substituted for "A.P.I.A." by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

2 Substituted for "F.P.I.A." by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

3 May be read as "Practice".

7. Members to be known as ¹[Cost and Management Accountants].—

- (1) Every member of the Institute in practice shall, and every other member may, use the designation of ²[Cost and Management Accountant].
- (2) No member of the Institute in practice using the designation of ³[Cost and Management Accountant] shall use, whether in addition thereto or in substitution therefor, any other costing designation:

Provided that nothing in this sub-section shall be deemed to prohibit any such member from adding any other description or designatory letters to his name, if entitled thereto, to indicate membership of such other institute of accountancy whether in Pakistan or elsewhere, as may be recognised by the Council in this behalf, or any other qualification that he may possess, or to prohibit a firm, all the partners of which are members of the Institute in practice, from being known by its firm name as ⁴[Cost and Management Accountants].

8. Disabilities.—

Notwithstanding anything contained in section 4, a person shall not be entitled to have his name entered in or borne on the Register if he—

- (i) has not attained the age of twenty-one years at the time of his application for the entry of his name in the Register; or
- (ii) is of unsound mind and stands so adjudged by a competent court; or
- (iii) is an undischarged insolvent; or
- (iv) having been discharged of insolvency, has not obtained from the court a certificate stating that his insolvency was caused by misfortune without any misconduct on his part; or
- (v) has been convicted by a competent court, whether within or without Pakistan, of an offence involving moral turpitude and punishable with ⁵[] imprisonment, or of an offence, not of a technical nature, committed by him in his professional capacity unless in respect of the offence committed he has either been granted a pardon, or, on an application made by him in this behalf, the ⁶[Federal Government] has, by an order in writing removed the disability; or

1 Substituted for "Industrial Accountants" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

2 Substituted for "Industrial Accountants" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

3 Substituted for "Industrial Accountants" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

4 Substituted for "Industrial Accountants" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

5 Word "transportation or" omitted by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

6 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

- (vi) has been removed from the membership of the Institute on being found on inquiry to have been guilty of professional or other misconduct:

Provided that a person who has been removed from membership for a specified period shall not be entitled to have his name entered in the Register until the expiry of such period.

CHAPTER – III

COUNCIL OF INSTITUTE

9. Constitution of the Council.–

- (1) There shall be a Council of the ¹institute for the management of the affairs of the Institute and for discharging the functions assigned to it under this Act.
- (2) The first Council shall be composed of such of the members of the Council of the dissolved company as are entitled to have their names entered in the Register as fellows; and every other Council shall be composed of the following members, namely:–
 - (a) the first President of the dissolved company;
 - (b) not more than eight persons elected by members of the Institute from amongst the fellows of the Institute; and
 - (c) not more than four persons nominated by the ²[Federal Government].

10. Election of the Council.–

- (1) Election of the members of the Council, mentioned in clause (b) of sub-section (2) of section 9 shall be held at the annual general meeting of the Institute in such manner as may be prescribed.
- (2) Where any dispute arises regarding any such election, it shall be referred by the Council to a Tribunal appointed by the ³[Federal Government] in this behalf and the decision of such Tribunal shall be final:

Provided that no such reference shall be made except on an application made to the Council by an aggrieved party supported by at least five members of the Institute who had attended the election, within thirty days from the date of the declaration of the result of the election.
- (3) The expenses of the Tribunal shall be borne by the Institute or by the aggrieved party as may be ordered by the Tribunal.

1 May be read as "Institute".

2 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

3 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

- (4) If the members of the Institute fail to elect any of the members of the Council mentioned in clause (b) of sub-section (2) of section 9, the ¹[Federal Government] may nominate any person duly qualified for the purpose to fill the vacancy, and the person so nominated shall be deemed to have been duly elected under that clause.

11. President, Vice-President, Secretary and Treasurer.—

- (1) The Council shall, at its first meeting, elect from amongst its members the following honorary office bearers, namely:-
- (a) a President;
 - (b) a Vice-President;
 - (c) a Secretary; and
 - (d) a Treasurer.
- (2) If the Council fails to elect any of the honorary office bearers within one month of the election of its members mentioned in clause (b) of sub-section (2) of section 9, the ²[Federal Government] may appoint, from amongst the members of the Council, any person duly qualified for the purpose, to fill the vacancy and the person so appointed shall be deemed to have been duly elected by the Council on the date of such appointment.
- (3) The President shall be the chief executive authority of the Council.
- (4) Save as provided in sub-section (5), the President and other office bearers shall, subject to their continuance as members of the Council, hold their respective offices from the date on which they are elected or deemed to have been elected until the expiry of the duration of the Council.
- (5) Notwithstanding the expiry of their term of office under sub-section (4), the President and other office bearers shall continue to perform their functions until their successors are elected by the new Council.
- (6) Where the President or any other office bearer resigns from his office or ceases to be a member of the Council, the Council shall elect from amongst its members a new President or other office bearer, as the case may be.
- (7) If the Council fails to elect a new President or office bearer as provided in sub-section (6), the ³[Federal Government] may appoint, from amongst the members of the Council any person to fill the vacancy and the person so appointed shall be deemed to have been duly elected by the Council on the date of such appointment.

1 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

2 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

3 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

12. Resignation of membership and casual vacancies.—

- (1) Any member of the Council may at any time resign his membership by writing under his hand addressed to the President, and the seat of such member shall become vacant when such resignation is notified in the official Gazette.
- (2) A member of the Council shall be deemed to have vacated his seat if he is declared by the Council to have been absent without sufficient excuse from three consecutive meetings of the Council, or if his name is, for any cause, removed from the Register under the provisions of section 20.
- (3) A casual vacancy in the Council may be filled by nomination by the ¹[Federal Government], and the person nominated to fill the vacancy shall hold office until the expiry of the duration of the Council.
- (4) No act done by the Council shall be called in question on the ground merely of the existence of any vacancy in, or defect in the constitution of, the Council.

13. Duration and dissolution of Council.—

- (1) The duration of a Council shall be three years from the date of its first meeting on the expiry of which a new Council shall be constituted in accordance with the provisions of this Act.
- (2) A Council shall, notwithstanding the expiry of its duration under sub-section (1), continue to perform its function² until a new Council is constituted whereupon the Council so functioning shall stand dissolved.

14. Functions of the Council.—

- (1) The Council shall exercise such powers and perform such functions as may be necessary to carry out the purpose of this Act.
- (2) In particular, and without prejudice to the generality of the foregoing provision, the powers and functions of the Council shall include—
 - (a) the examination of candidates for membership of the Institute and the prescribing of fees for such examination;
 - (b) the registration and training of students;
 - (c) the prescribing of qualifications for entry of persons as members of the Institute;
 - (d) the recognition of foreign qualifications and training or experience for purposes of membership of the Institute;
 - (e) the refusal, granting and cancellation of certificates of practice;

1 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

2 May be read as "functions".

- (f) the maintenance of the Register and publication of the list of members of the Institute and also the names of the members who hold certificates of practice;
- (g) the levy and collection of fees from members, students, examinees and other persons;
- (h) the removal of names from the Register and restoration to the Register of names which have been removed;
- (i) the regulation and maintenance of the status and standard of professional qualifications of the members of the Institute;
- (j) the carrying out, by financial assistance to persons other than members of the Council or in any other manner, of research in cost and ¹[management] accounting;
- (k) the maintenance of libraries and publication of books and periodicals relating to cost and ²[management] accounting and allied subjects;
- (l) the exercise of such disciplinary powers over the members and servants of the Institute as may be prescribed; and
- (m) the exercise of such other powers and the performance of such other functions as are required to be, or may be, exercised or performed by the Council under this Act or regulations made thereunder.

15. Staff remuneration and allowances.—

- ³(1) For the efficient performance of its functions, the Council may—
- (a) appoint such officers and servants as it may consider necessary;
 - (b) require and take from employees of the Institute such security for the due performance of their duties as it may consider necessary;
 - (c) fix the salaries, fees, allowances and other conditions of service of the employees of the Institute; and
 - (d) with the previous sanction of the ⁴[Federal Government], fix the allowances of the President, the Vice-President, the Secretary, the Treasurer and other members of the Council and its Committees.

16. Committees of the Council.—

- (1) The Council shall constitute the following Standing Committees, namely:—
- (a) an Executive Committee;

1 Substituted for "industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

2 Substituted for "industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

3 Numbering appears to be superfluous as there is no further sub-section to this section.

4 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

- (b) an Education Committee;
 - (c) an Examination Committee; and
 - (d) a Disciplinary Committee.
- (2) The Council may also constitute such other Committees as it deems necessary for the purpose of carrying out the provisions of this Act.
 - (3) The Executive Committee shall consist of the President, the Vice-President and three other members nominated by the Council from amongst its members.
 - (4) The Education Committee shall consist of the President and such other members nominated by the Council from amongst its members as may be prescribed.
 - (5) The Examination Committee shall consist of the President, or the Vice-President, as the Council may decide, and such other members, nominated by the Council from amongst its members as may be prescribed.
 - (6) The Disciplinary Committee shall consist of the President and two other members of the Council, one of whom shall be nominated by the ¹[Federal Government] and the other by the Council.
 - (7) Every other Committee shall consist of such members as the Council may decide.
 - (8) The President shall be the Chairman of every Committee of which he is a member, and in his absence, the Vice-President, if he is a member of the Committee, shall be the Chairman.
 - (9) The Standing Committee shall perform such functions as may be prescribed and the other Committees, shall perform such functions as the Council may direct.

17. Branch Councils.—

- (1) For the purpose of advising and assisting it in the discharge of its functions, the Council may constitute one or more Branch Councils as and when it considers necessary.
- (2) A Branch Council shall be constituted in such manner and perform such functions as may be prescribed.
- (3) The Council may, at any time, dissolve any Branch Council constituted under sub-section (1).

18. Finances of the Council.—

- (1) There shall be established a fund under the management and control of the Council into which shall be paid all moneys received by the Council and out of which shall be met all expenses and liabilities properly incurred by the Council.

¹ Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

- (2) The Council may invest any money for the time being standing to the credit of the fund in any government security or in any other security approved by the Council.
- (3) The Council shall cause maintenance of proper accounts of the funds distinguishing capital from revenue.
- (4) The annual accounts of the Institute shall be subject to audit by chartered accountant within the meaning of the Chartered Accountants Ordinance, 1961 (X of 1961):
Provided that no member of the Council or person who is in partnership with such member shall be eligible for appointment as an auditor under this sub-section.
- (5) As soon as may be practicable after the close of each year, but not later than the thirtieth day of November next following, the Council shall cause to be published a copy of the audited accounts and the report of the Council for that year and copies of the said accounts and report shall be forwarded to the ¹[Federal Government] and to all the members of the Institute.
- (6) The Council may borrow from a scheduled bank as defined in the State Bank of Pakistan Act, 1956 (XXXIII of 1956), or from the ²[Federal Government]:—
 - (a) any money required for meeting its liability on capital account on the security of the funds or on the security of any other assets for the time being belonging to it; or
 - (b) for the purpose of meeting current liabilities by way of temporary loans or overdraft pending the receipt of income.

CHAPTER – IV

REGISTER OF MEMBERS

19. Register.—

- (1) The Council shall maintain in the prescribed manner a Register of the members of the Institute.
- (2) The Register shall include the following particulars about every member of the Institute, namely:—
 - (a) his full name, date of birth, domicile, residential and professional addresses;
 - (b) the date on which his name is entered in the Register;

1 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

2 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

- (c) his qualifications;
 - (d) whether he holds a certificate of practice; and
 - (e) such other particulars as may be prescribed.
- (3) The Council shall cause to be published in such manner as may be prescribed, a list of members of the Institute as on the first day of July of each year, and a copy of the list shall be sent to every member of the Institute.
- (4) Every member of the Institute shall, on his name being entered in the Register, pay such annual membership fee as may be prescribed and different fees may be prescribed for associates and for fellows.

20. Removal of name from the Register.–

- (1) The Council may remove from the Register the name of any member of the Institute: –
- (a) who is dead; or
 - (b) from whom a request has been received to that effect; or
 - (c) who has not paid any prescribed fee payable by him; or
 - (d) who is found to have been subject, at the time when his name was entered in the Register, or who, at any time thereafter, has become subject, to any of the disabilities mentioned in section 8, or who, for any other reason, has ceased to be entitled to have his name borne on the Register.
- (2) The Council shall remove from the Register the name of any member who is not entitled to remain a member under this Act.

CHAPTER – V

PENALTIES

21. Penalty for falsely claiming to be a member, etc.–

A person shall, without prejudice to his liability to any disciplinary measure prescribed under section 34, be punishable, on first conviction, with fine which may extend to one thousand rupees, and, on any subsequent conviction, with imprisonment which may extend to six months, or with fine which may extend to five thousand rupees, or with both, if he–

- (1) not being a member of the Institute, represents that he is a member of the Institute, or uses the designation of Cost or ¹[Management Accountant] or the letters ²[A.C.M.A., F.C.M.A.]; or

1 Substituted for "Industrial Accountant" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

2 Substituted for "A.P.I.A., F.P.I.A." by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

- (2) being a member of the Institute but not having a certificate of practice, represents that he is in practice, or practices as ¹[a cost and management accountant], cost accountant or works accountant or in some similar profession in the field of cost and ²[management accounting].

22. Penalty for using the name of the Council, etc.—

- (1) Save as otherwise provided in this Act, no person shall—
- (a) use any name or common seal which is identical with the name or the common seal of the Institute or so nearly resembles it as to deceive or as be likely to deceive the public; or
 - (b) grant or confer any degree, diploma, certificate or designation which indicates or purports to indicate the possession or attainment of any qualification or competence in cost and ³[management] accounting similar to that of a member of the Institute.
- (2) Any person contravening the provisions of sub-section (1) shall, without prejudice to any other proceedings which may be taken against him, be punishable, on first conviction, with fine which may extend to one thousand rupees, and, on any subsequent conviction, with imprisonment which may extend to six months, or with fine which may extend to five thousand rupees, or with both.
- (3) Nothing contained in this section shall apply to any University established by the law or to any institution affiliated thereto.
- (4) If the ⁴[Federal Government] is satisfied that any diploma, certificate or designation granted or conferred by any person other than the Institute, which purports to be a qualification in cost or ⁵[management] accounting but which, in the opinion of the ⁶[Federal Government], fall short of the standard of qualifications prescribed for cost or ⁷[management] accountants and does not in fact indicate or purport to indicate the possession or attainment of any qualifications or competence in cost or ⁸[management] accounting similar to that of a member of the Institute, it may, by notification in official Gazette and

1 Substituted for "an industrial accountant" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

2 Substituted for "industrial accounting" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

3 Substituted for "industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

4 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

5 Substituted for "industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

6 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

7 Substituted for "industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

8 Substituted for "industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

subject to such conditions as it may think fit to impose, declare that this section shall not apply to such diploma, certificate or designation.

23. Companies not to engage in ¹[cost and management] accountancy in Pakistan.—

- (1) No company, whether incorporated in Pakistan or elsewhere, shall practice as cost and ²[management] accountants in Pakistan.
- (2) If any company contravenes the provisions of sub-section (1), then, without prejudice to any other proceedings which may be taken against the company, every director, manager, secretary and other officer of such company, who is knowingly a party to such contravention, shall be punishable with fine which may extend, on first conviction, to one thousand rupees and, on any subsequent conviction, to five thousand rupees.

24. Unqualified persons not to sign documents.—

- (1) No person, other than a member of the Institute, shall sign any document on behalf of ³[a cost and management accountant] or a firm of ⁴[cost and management accountants] in his or its professional capacity.
- (2) Any person contravening the provisions of sub-section (1) shall be punishable with fine which may extend, on first conviction, to one thousand rupees and, on any subsequent conviction to five thousand rupees.

25. Offences by companies.—

- (1) If the person committing an offence under this Act is a company, the company as well as every person incharge of, and responsible to, the company for the conduct of its business at the time of the commission of the offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

- (2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or that the commission of the offence is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manger, secretary or

1 Substituted for "industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

2 Substituted for "industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

3 Substituted for "an industrial accountant" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

4 Substituted for "industrial accountants" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.— For the purpose of this section,—

- (a) 'company' with respect to an offence under section 21 or section 24, means any body corporate and includes a firm or other association of individuals and, with respect to an offence under section 23, a body corporate; and
- (b) 'director' in relation to a firm means a partner in the firm.

26. Sanction to prosecute.—

No person shall be prosecuted under this Act except on a complaint made by or under the order of the Council or of the ¹[Federal Government].

CHAPTER – VI

DISSOLUTION OF THE EXISTING INSTITUTE OF INDUSTRIAL ACCOUNTANTS

27. Dissolution of the Institute registered under the Act VII of 1913.—

On the commencement of this Act,—

- (1) the company registered under the Companies Act, 1913 (VII of 1913), as the Pakistan Institute of Industrial Accountants shall stand dissolved and thereafter no person shall make, assert or take any claims, demands or proceedings against the dissolved company or against any officer thereof in his capacity as such officer, except in so far as may be necessary, for enforcing the provisions of this Act;
- (2) the right of every member to or in respect of the dissolved company shall be extinguished, and thereafter no member of that company shall make, assert or take any claims or demands or proceedings in respect of that company except as provided in this Act.

28. Assets and liabilities of the dissolved company.—

- (1) On the commencement of this Act, there shall be transferred to and vested in the Institute all the assets and liabilities of the dissolved company.
- (2) The assets of the dissolved company shall be deemed to include all rights and powers, and all property, whether movable or immovable, of the company, including, in particular, cash balance, reserve funds, investments, deposits and

¹ Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

all other interests and rights in or arising out of such property as may be in the possession of the dissolved company, and all books of accounts or documents, of the dissolved company:¹ and the liabilities of the dissolved company shall be deemed to include all debts, liabilities and obligations of whatever kind of that company existing immediately before the commencement of this Act.

- (3) All contracts, debts, bonds, agreements and other instruments of whatever nature to which the dissolved company is a party, subsisting or having effect immediately before the commencement of this Act, shall have full force and effect against or in favour of the Institute, as the case may be, and may be enforced as fully and effectively as if, instead of the dissolved company, the Institute had been a party thereto.
- (4) If, on the commencement of this Act, any suit, appeal or other legal proceedings of whatsoever nature by or against the dissolved company is pending, the same shall not abate, be discontinued or be in any way prejudicially affected, by reason of the transfer to the Institute of the assets and liabilities of the dissolved company or of anything contained in this Act, but the suit, appeal or other proceedings may be continued, prosecuted and enforced by or against the Institute, in the same manner and to the same extent as it would have been continued, prosecuted and enforced by or against the dissolved company if this Act had not been passed.

29. Employees of the dissolved company.–

- (1) Every person employed in the dissolved company immediately before the commencement of this Act shall, as from such commencement become an employee of the Institute and shall hold his office or service therein upon the same terms and conditions, and with the same rights and privileges as to pension and gratuity, as would have applied to him in his office or service under the dissolved company if this Act had not been passed, and shall continue to do so until his employment in the Institute is terminated or his remuneration or other terms and conditions of employment are duly altered by the Institute.
- (2) Notwithstanding anything contained in any law for time being in force, or in any contract, the transfer of the services of any employee of the dissolved company to the Institute shall not entitle any such employee to any compensation under such law or contract and no such claim shall be entertained by any court, tribunal or authority.

¹ May be read as semi-colon “;”.

CHAPTER – VII

MISCELLANEOUS

30. Alteration in the Register and cancellation of certificate.–

- (1) Where an order is made under this Act reprimanding a member of the Institute, a record of the punishment shall be entered against his name in the Register.
- (2) Where the name of any member is removed from the Register, the certificate of membership and the certificate of practice, if any, granted to him shall be recalled and cancelled.

31. Protection of action taken in good faith.–

No suit, prosecution or other legal proceedings shall lie against the ¹[Federal Government] or the Council in respect of anything which is in good faith done or intended to be done in pursuance of this Act or of any regulation or order made thereunder.

32. Maintenance of branch offices.–

- (1) Where ²[a cost and management accountant] or a firm of ³[cost and management accountants] has more than one office in Pakistan, each one of such ⁴office shall be in the separate charge of a member of the Institute:

Provided that the Council may in suitable cases exempt any ⁵[cost and management accountant] or a firm of ⁶[cost and management accountants] from the operation of this sub-section.

- (2) Every ⁷[cost and management accountant] in practice or firm of such accountants maintaining more than one office shall send to the Council a list of offices together with the names of the persons in charge thereof and shall keep the Council informed of any change in relation thereto.

1 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

2 Substituted for "an industrial accountant" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

3 Substituted for "industrial accountants" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

4 May be read as "offices".

5 Substituted for "industrial accountant" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

6 Substituted for "industrial accountants" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

7 Substituted for "industrial accountant" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

33. Reciprocity.—

- (1) Where any country specified by the ¹[Federal Government] in this behalf, by notification in the official Gazette, prevents persons of Pakistan domicile from becoming members of any institution similar to the Institute, or from practicing the profession of cost and ²[management] accounting, or subjects them to unfair discrimination in that country, no citizen of that country shall be entitled to be a member of the Institute or to practice the profession of cost and ³[management] accounting in Pakistan.
- (2) Subject to the provisions of sub-section (1), the Council may prescribe the conditions, if any, subject to which foreign qualifications relating to cost and ⁴[management] accounting shall be recognised for the purpose of entry in the Register.

34. Power to make regulations.—

- (1) The council may, by notification in the official Gazette, make regulations for carrying out the purposes of this Act.
- (2) In particular, and without prejudice to the generality of the foregoing powers, such regulations may provide for all or any of the following matters, namely:—
 - (a) the standard and conduct of examinations under this Act;
 - (b) the qualifications for entry of the name of any person in the Register as a member of the Institute;
 - (c) the qualification for the purpose of sub-section (4) of section 5;
 - (d) the conditions under which any examination or training may be treated as equivalent to the examination or training prescribed for membership of the Institute;
 - (e) the conditions under which any foreign qualifications may be recognised;
 - (f) the manner in which and the conditions subject to which applications for entry in the Register may be made;
 - (g) the fees payable for membership of the Institute and the annual fees payable for certificates of practice;
 - (h) the manner in which election to the Council and the Branch Councils may be held;

1 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

2 Substituted for "industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

3 Substituted for "industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

4 Substituted for "industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

- (i) the particulars to be entered in the Register;
- (j) the functions of Branch Councils;
- (k) the regulation and maintenance of the status and standard of professional qualifications of members of the Institute;
- (l) the carrying out of research in cost and ¹[management] accounting;
- (m) the maintenance of libraries and publication of books and periodicals relating to cost and ²[management] accounting and allied subjects;
- (n) the management of the property of the Institute and the maintenance and audit of its accounts;
- (o) the summoning and holding of meetings of the Council and committees thereof, the times and places of such meetings, the procedure to be followed thereat and the number of members necessary to form a quorum;
- (p) recording and certifying minutes of meetings of the Council and the annual general ³meeting and extraordinary meetings;
- (q) appointment and removal of auditors of the Institute;
- (r) the manner in which the annual list of members of the Institute shall be published;
- (s) the powers, duties and functions of the President and Vice-President;
- (t) the functions of the Standing Committees and other Committees and the conditions subject to which such functions shall be discharged;
- (u) the terms of office, and the powers, duties and functions of the Secretary, Treasurer, and the other employees of the Council;
- (v) rules of professional and other conduct and the exercise of disciplinary powers in relation thereto;
- (w) the terms and conditions of service of the employees of the Institute including persons who have become its employees under section 29;
- (x) the registration of students and the fees to be charged for such registration; and
- (y) any other matter which is required to be or may be prescribed under this Act.

1 Substituted for "industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

2 Substituted for "industrial" by the Cost and Industrial Accountants (Amendment) Act, 1976 (Act No. LXX of 1976).

3 May be read as "meetings".

- (3) All regulations made by the Council under this Act shall be subject to the condition of previous publication and to the approval of the ¹[Federal Government].
- (4) The Council shall, as soon as practicable, send a copy of any regulation made by it to every member of the Institute.
- (5) Notwithstanding anything contained in this section, the ²[Federal Government] may make the first regulations of the Council and such regulations shall be deemed to have been made by the Council and shall have effect accordingly.

35. Power to give directions for making regulations, etc.—

- (1) Where the ³[Federal Government] considers it expedient so to do, it may, by order in writing, direct the Council to make any regulation, or to amend or rescind any regulation already made, within such period as it may specify in this behalf.
- (2) If the Council fails or neglects to comply with such direction within the specified period, the ⁴[Federal Government] may make or amend, with or without modifications, or rescind, any regulation directed to be made, amended or rescinded; and any regulation so made, amended or rescinded by the ⁵[Federal Government] shall be deemed to have been made, amended or rescinded by the Council and shall have effect accordingly.

1 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

2 Substituted for "Central Government" by the Federal Adaptation of Laws Order, 1975 (P.O. No. 4 of 1975).

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