

NEW ZEALAND SOCIETY OF ACCOUNTANTS AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill amends the New Zealand Society of Accountants Act 1958 and the New Zealand Society of Accountants Amendment Act 1963.

Clause 1 specifies the Short Title.

Clause 2 relates to the determination of fees payable by members of the Society.

It provides that admission fees, annual or other periodic fees, and fees for the restoration of names to a register will be prescribed by the Society in general meeting instead of by rules as at present.

It also provides that the penalty that the Council may impose when restoring a name to a register shall be limited to an amount not exceeding 5 years' annual fees at the rate then in force.

Clause 3 will empower the Council after due inquiry, to order the removal from a register of the name of a person who has obtained registration as a consequence of supplying false information (whether wilfully or otherwise) to the Council. A right of appeal is also provided to the Committee of Appeal against any decision of the Council to so remove a member's name.

Clause 4 authorises accountants to practise in partnerships not exceeding 120 members, notwithstanding the provisions of the Companies Act 1955. At present, accountancy partnerships are limited to 75 members.

Clause 5 increases from \$20 to \$50 the maximum annual fee that the Council may prescribe as payable by chartered accountants into the Fidelity Fund.

It also provides that the period for which that fee shall be payable is to be the period of 12 months ending with 30 June in every year, or with such other date as the Society in general meeting may determine.

Clause 6 increases from \$20 to \$100 the amount of the levy that the Council may impose on chartered accountants in any year to meet any insufficiency in the Fidelity Fund.

The amendment also enlarges the conditions under which the levy may be imposed so as to cover a likely insufficiency in the Fund as well as cases of actual insufficiency.

No. 101—1

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Clause 7 removes the present limitation whereby annual fees may not be prescribed for the Fidelity Fund while the amount of the Fund exceeds \$200,000.

Clause 8 validates previous actions by the Society in general meeting, and the Council, in determining fees, penalties, and levies, and making rules, to the extent that those acts could have been done if this present Act had been in force. It also validates the action of the Council in purporting on 26 February 1976 to increase the annual contribution to the Fidelity Fund from \$10 to \$20.

Right Hon. Mr Muldoon

**NEW ZEALAND SOCIETY OF ACCOUNTANTS
AMENDMENT**

ANALYSIS

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A BILL INTITULED

An Act to amend the New Zealand Society of Accountants Act 1958

5 BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

10 **1. Short Title**—This Act may be cited as the New Zealand Society of Accountants Amendment Act 1977, and shall be read together with and deemed part of the New Zealand Society of Accountants Act 1958* (hereinafter referred to as the principal Act).

2. Fees payable by members—(1) The principal Act (as amended by section 7 of the New Zealand Society of Accountants Amendment Act 1968) is hereby further amended by repealing section 20, and substituting the following section:

*1958, No. 42

Amendments: 1963, No. 139; 1968, No. 137; 1971, No. 118; 1974, No. 109

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“20. (1) Every member and every provisional member shall pay to the Society on admission, and thereafter annually or at such other intervals as the Society in general meeting may from time to time determine, and for the restoration of his name to a register under this section, such fees as the Society in general meeting may from time to time prescribe. 5

“(2) The Society in general meeting may prescribe different fees for different classes of members or provisional members.

“(3) The Council may remove from the appropriate register the name of any member or provisional member who is in arrears for 3 months or more in the payment of any fees payable by him, and on notice under the hand of the Secretary of the removal of his name being delivered to that member or provisional member, or posted to his registered postal address, he shall cease to be a member or provisional member of the Society, as the case may be. 10 15

“(4) Any member or provisional member whose name is removed from a register under subsection (3) of this section or in consequence of his resignation from the Society may at any time apply to the Council to have his name restored to the appropriate register. 20

“(5) Where the Council is satisfied that any applicant under subsection (4) of this section is still qualified to be registered as a member or provisional member of the Society, as the case may be, the Council shall, on receiving the prescribed fee payable for restoration to the appropriate register, and any penalty imposed by the Council, restore his name to such register. 25

“(6) For the purposes of subsection (5) of this section, the Council may, in the case of an applicant whose name has been removed from a register under subsection (3) of this section or in consequence of his resignation from the Society, impose a penalty not exceeding an amount equal to 5 years' annual fees at the rate in force, at the date when the application is received by the Society, for members on the register to which the applicant seeks to have his name restored.” 30 35

(2) Section 12 (2) of the principal Act (as amended by section 3 (1) (b) of the New Zealand Society of Accountants Amendment Act 1968) is hereby consequentially amended by repealing paragraph (h), and substituting the following paragraph: 40

“(h) The fees payable to the Society (other than fees payable under section 20 of this Act) by members and provisional members of the Society and divisions thereof:”.

5 (3) Section 14 (3) of the principal Act is hereby consequentially amended by omitting the words “prescribed by the rules of the Society”, and substituting the words “prescribed by the Society in general meeting”.

10 (4) Sections 3 (1) (b) and 7 of the New Zealand Society of Accountants Amendment Act 1968 are hereby consequentially repealed.

(5) Section 17 of the New Zealand Society of Accountants Amendment Act 1968 is hereby consequentially amended by inserting, after the words “all fees payable”, the words “under section 20 of the principal Act or”.

3. Removal of name where registration obtained by supplying false information—The principal Act is hereby further amended by inserting, after section 31 but before the heading “*Miscellaneous*”, the following section:

20 “31A. (1) Where the Council after due inquiry is satisfied that any member or provisional member has—

“(a) In his application for membership or provisional membership of the Society; or

25 “(b) In his application for re-registration as a member or provisional member—

supplied to the Council any information (whether wilfully or otherwise) that is false in any material particular, the Council may cause his name to be removed from the appropriate register.

30 “(2) Before deciding to cause any person’s name to be removed from a register under subsection (1) of this section, the Council shall give that person a reasonable opportunity to appear before it and be heard on the matter.

35 “(3) Any person aggrieved by the removal of his name from a register under this section may, within 28 days after being notified by the Council in writing of its decision, appeal in writing to the Committee of Appeal against that decision.

40 “(4) On hearing the appeal, the Committee of Appeal may confirm or reverse the decision of the Council.

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“(5) No member of the Council who is also a member of the Committee of Appeal may participate in any proceedings of the Council, or of any Committee other than the Committee of Appeal, relating to any matter under this section.

“(6) Subject to subsections (4) and (5) of this section,— 5

“(a) The provisions of section 25 of this Act and of the rules of the Society relating to appeals (so far as those rules are appropriate); and

“(b) The provisions of sections 24 (6), 27, 28, 29, 30, and 31 of this Act— 10

shall apply in respect of any matter before the Council, or any Committee, under this section in the same way as they apply in respect of matters that have been referred to the Disciplinary Committee.”

4. Maximum size of partnerships of chartered accountants—Section 34A of the principal Act (as inserted by section 2 of the New Zealand Society of Accountants Amendment Act 1974) is hereby amended by omitting the figures “75”, and substituting the figures “120”. 15

5. Prescribed fees to be paid into Fidelity Fund—(1) Section 10 of the New Zealand Society of Accountants Amendment Act 1963 is hereby amended by repealing subsection (1) (as amended by section 20 (1) of the New Zealand Society of Accountants Amendment Act 1968), and substituting the following subsections: 25

“(1) Except as provided in subsection (2) of section 3 of this Act, every chartered accountant shall pay, for every period specified in subsection (1A) of this section, and in addition to any annual fee and other fees that he may be liable to pay to the Society, such fee (not exceeding \$50) as may be prescribed by the Council for the purposes of this Part of this Act. 30

“(1A) The period to which subsection (1) of this section refers to shall be the period of 12 months ending with the 30th day of June in each year or with such other day in each year as the Society in general meeting may from time to time determine.” 35

(2) Section 20 (1) of the New Zealand Society of Accountants Amendment Act 1968 is hereby consequentially repealed.

6. **Accountants' levy**—Section 11 of the New Zealand Society of Accountants Amendment Act 1963 is hereby amended by repealing subsection (1) (as amended by section 18 (2) of the New Zealand Society of Accountants Amendment Act 1968), and substituting the following subsection:

“(1) If at any time the fund—

“(a) Is insufficient; or

“(b) In the opinion of the Council having regard to any prospective claims or liabilities that are likely to be received or incurred, may not be sufficient—

to meet the liabilities of the fund, the Council may by resolution impose on every chartered accountant to whom this Part applies, for payment into the fund, a levy of such amount as it thinks fit, not exceeding \$100 in any year.”

7. **Removal of limit of accumulation of fees in Fund**—Section 12 of the New Zealand Society of Accountants Amendment Act 1963 is hereby repealed.

8. **Validations**—(1) All fees, penalties, and levies that—

(a) The Society in general meeting has purported to prescribe, or the Council by resolution or by rules approved by the Governor-General in Council has purported to prescribe or impose, before the commencement of this Act; and

(b) Would have been validly prescribed or imposed if this Act had been in force at the times when they were respectively prescribed or imposed—

are hereby declared to be and always to have been validly prescribed or imposed.

(2) All rules that the Council with the approval of the Governor-General in Council has purported to make before the commencement of this Act that would have been validly made if this Act were in force when they were made are hereby declared to be and always to have been validly made.

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(3) The action of the Council in resolving on the 26th day of February 1976 to increase from \$10 to \$20 the fee payable under rule 4 of the New Zealand Society of Accountants Fidelity Fund Rules 1964 is hereby declared to have been as valid and effectual as if that rule had been amended accordingly by the Council on that date and the amendment had also been approved by the Governor-General in Council on that date.

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