

NEW ZEALAND SOCIETY OF ACCOUNTANTS AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill amends the New Zealand Society of Accountants Amendment Act 1963, which contains, in Part I, provisions relating to the New Zealand Society of Accountants Fidelity Fund.

Clause 2 relates to the annual amount payable into the New Zealand Society of Accountants Fidelity Fund by chartered accountants. The fee is prescribed by the Council of the New Zealand Society of Accountants and presently has a maximum of \$50. The amendment removes that maximum, and provides that the minimum amount of the fee shall be \$50.

Clause 3 relates to the levies that may be imposed on chartered accountants by the Council of the New Zealand Society of Accountants if the Council considers that the amount in the New Zealand Society of Accountants Fidelity Fund is not sufficient to meet actual or prospective claims. At present, the maximum amount of the levy that may be imposed is \$100 in any year. The amendment removes this maximum but makes the imposition of any such levy subject to the approval of the Minister of Finance.

The provisions of the Act relating to annual fees and levies payable into the Fidelity Fund do not apply—

- (a) To chartered accountants who are not holders of certificates of public practice:
 - (b) To holders of practising certificates issued under section 34 of the New Zealand Society of Accountants Act 1958 (which applies to persons with conscientious objection to membership) who are not actively engaged in the practice of the profession of accountancy.
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Hon. Ruth Richardson

**NEW ZEALAND SOCIETY OF ACCOUNTANTS
AMENDMENT**

ANALYSIS

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A BILL INTITULED

An Act to amend the New Zealand Society of Accountants Amendment Act 1963

BE IT ENACTED by the Parliament of New Zealand as follows:

5 **1. Short Title**—This Act may be cited as the New Zealand Society of Accountants Amendment Act 1991, and shall be read together with and deemed part of the New Zealand Society of Accountants Act 1958*.

10 **2. 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 substituted by section 5 (1) of the New Zealand Society of Accountants Amendment Act 1977 and amended by section 2 (1) of the New Zealand Society of Accountants Amendment Act 1978), and substituting the following subsection:

15 “(1) Except as provided in section 3 (2) 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
20 and other fees then payable by the chartered accountant, such fee as may from time to time be prescribed by resolution of the Council for the purposes of this Part of this Act, being not less than \$50 in any year.”

*R.S. Vol 5, p. 869

(2) Section 2 (1) of the New Zealand Society of Accountants Amendment Act 1978 is hereby consequentially repealed.

3. Chartered accountants may be required to pay levy—(1) The New Zealand Society of Accountants Amendment Act 1963 is hereby amended by repealing section 11 (as amended by section 6 of the New Zealand Society of Accountants Amendment Act 1977), and substituting the following section: 5

“11. (1) If at any time—

“(a) The fund is not sufficient, or, in the opinion of the Council having regard to any prospective claims or liabilities likely to be received or incurred, may not be sufficient, to satisfy the liabilities of the New Zealand Society of Accountants in relation to the fund; and 10 15

“(b) The Minister of Finance has approved both the imposition of a levy under this section and the amount of that levy,—

the Council may by resolution impose on every chartered accountant to whom this Part of this Act applies, for payment into the fund, a levy of that amount. 20

“(2) The amount of every such levy shall become payable on a date or dates, and in a manner, to be fixed by the Council.”

(2) Section 6 of the New Zealand Society of Accountants Amendment Act 1977 is hereby consequentially repealed. 25