

## NEW ZEALAND SOCIETY OF ACCOUNTANTS BILL.

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### MEMORANDUM.

THE purpose of this Bill is to establish a corporate body consisting of qualified accountants, and having power to make provision for the training and examination of members of that profession, and generally to promote in such manner as it thinks fit the efficient practice of that profession in New Zealand. The Bill confers no monopoly and no coercive power over persons who are not members of the Society, save that by clause 32 no person other than a member is at liberty to use in connection with his business the terms registered accountant or public accountant.

JOHN W. SALMOND,  
Counsel to the Law Drafting Office.

Right Hon. Sir. J. G. Ward.

## NEW ZEALAND SOCIETY OF ACCOUNTANTS.

### ANALYSIS.

Title.	16. First meeting of Society.
1. Short Title.	17. Election and appointment of officers of Society.
2. Interpretation.	18. Quorum at meetings of Council and Society.
3. Establishment and purposes of New Zealand Society of Accountants.	19. Officers to remain in office until election or appointment of successors.
4. Members of Society.	20. Regulations of Society.
5. Registration of members by Registration Board.	21. Copy under seal to be proof of regulations.
6. Constitution and meetings of Registration Board.	22. Powers of Council.
7. Who entitled to be registered by Board as members of Society.	23. Registration of members after establishment of Council.
8. Members to be over twenty-one years and of good character.	24. Execution of documents under seal.
9. Application for registration.	25. Mode of entering into contracts by Society.
10. Duties of Board as to applications for registration.	26. Notices for Board to be sent to Solicitor-General.
11. Method of effecting registration.	27. Society may hold land.
12. Constitution and election of Council.	28. Borrowing powers of Society.
13. Acts of Council not invalidated because of informality.	29. Powers of Society with respect to property.
14. Election of Council.	30. Fees.
15. First meeting of Council.	31. Resignation and expulsion of members.
	32. Offences by persons not members of Society.
	33. Registered office of Society.
	34. Returns to be made to Registrar-General.
	35. Offences to be dealt with summarily.

### A BILL INTITULED

AN ACT to make Provision for the Registration of Accountants. Title.  
BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the New Zealand Society of Accountants Act, 1908. Short Title.
2. In this Act, except where a different intention appears,— Interpretation.  
“ Accountant ” includes auditor, and “ accountancy ” includes auditing :  
“ Board ” means the Registration Board established by this Act :  
“ Council ” means the Council of the Society :  
“ Society ” means the New Zealand Society of Accountants established by this Act.
3. (1.) There is hereby established a body corporate to be called the New Zealand Society of Accountants. Establishment and purposes of New Zealand Society of Accountants.

(2.) The said body corporate (which is hereinafter referred to as the Society) is established for the purposes following:—

- (a.) To promote in any manner which the members of the Society think fit the interests of the profession of accountancy in New Zealand : 5
- (b.) To make provision for the training, education, and examination of persons practising or intending to practise the said profession :
- (c.) To grant or issue diplomas, certificates, or degrees to members of the Society or to other persons in recognition of their proficiency in accountancy or in any matters relating to the duties of an accountant : 10
- (d.) To control and regulate the practice of the profession of accountancy in New Zealand :
- (e.) To afford pecuniary and other assistance to members of the Society who are in need of such assistance, or to the wife or children of any member, or to the widow and children of any deceased member : 15
- (f.) To grant prizes or scholarships or to establish or subsidise lectureships in any school, college, or university in relation to any subjects of study relating to accountancy or to the duties of an accountant : 20
- (g.) To grant pecuniary or other assistance to any society established in New Zealand in the interests of the profession of accountancy. 25

Members of Society.

4. (1.) The members of the Society shall be such persons as are for the time being registered as members thereof in accordance with the provisions of this Act.

(2.) The Society shall be deemed to be duly established and incorporated so soon as twenty persons have been so registered as members thereof. 30

Registration of members by Registration Board.

5. (1.) Until the establishment of a Council under the provisions of this Act the registration of members of the Society shall be effected by the Registration Board hereinafter referred to.

(2.) After the establishment of the said Council the registration of members of the Society shall be effected by the Council thereof. 35

Constitution and meetings of Registration Board.

6. (1.) A Registration Board is hereby established consisting of the Controller and Auditor-General, the Commissioner of Taxes, the Government Insurance Commissioner, the Secretary to the Treasury, and the Solicitor-General, so that all persons who for the time being occupy any of the aforesaid offices shall *ex officio* be members of the said Board. 40

(2.) The first meeting of the Board shall be held at such time and place as is determined by the Minister of Internal Affairs.

(3.) At every meeting of the Board three members thereof shall form a quorum, and no business shall be transacted at any meeting unless a quorum is present. 45

(4.) The Board shall at every meeting choose one of its members to be chairman of that meeting.

(5.) Every question before the Board shall be determined by a majority of the votes of the members present at a meeting of the Board. The chairman shall have both a deliberative and, in case of an equality of votes, a casting vote. 50

(6.) A meeting of the Board may be summoned at any time by notice signed by any two members and sent to the other members.

(7.) The Board shall cease to exist on the first meeting of the Council of the Society.

7. The following classes of persons shall be entitled to be registered by the Board as members of the Society:—

Who entitled to be registered by Board as members of Society.

(a.) Every person who has, whether before or after the passing of this Act, passed an examination entitling him to be elected or admitted as a fellow or associate of the Incorporated Institute of Accountants in New Zealand, or of the New Zealand Accountants' and Auditors' Association:

(b.) Every person who, whether before or after the passing of this Act, has been admitted as a member, fellow, or associate of any association of accountants which is incorporated in any part of the British Empire out of New Zealand, and which is recognised by the Board as of adequate standing and repute in this behalf:

(c.) Every person who at any time before the passing of this Act has for a period of five years been continuously engaged in business in New Zealand on his own account, whether solely or in partnership with any other person, as an accountant, and who satisfies the Board as to his proficiency in the duties of an accountant:

(d.) Every person who at any time before the passing of this Act, has for a period of five years been continuously, or with no greater interval than one month at any one time, employed in New Zealand in the service of any one or more employers in any position in which his sole or chief duties have been those of an accountant, and who satisfies the Board as to his proficiency in the duties of an accountant:

(e.) Every person who at any time before the passing of this Act has during a period of five years been engaged for part of that period in manner described in paragraph (c) of this section, and for the remaining part thereof in manner described in paragraph (d) of this section, and who satisfies the Board as to his proficiency in the duties of an accountant.

8. No person shall be registered either by the Board or the Council as a member of the Society if he is less than twenty-one years of age, or if, in the opinion of the Board or Council, as the case may be, he is not of good character and reputation, or is engaged or concerned in any business or occupation inconsistent with the integrity of the profession of accountancy.

Members to be over twenty-one years, and of good character.

9. (1.) Every application by any person to the Board to be registered as a member of the Society shall be in writing, and the statements made therein shall be verified by a statutory declaration made by the applicant.

Application for registration.

(2.) Every such application shall be sent to the office of the Solicitor-General, at Wellington, and no application shall be granted unless it is received at the said office on or before the thirty-first

day of March, nineteen hundred and nine, unless the Board is satisfied that there is some sufficient justification or excuse for the delay.

(3.) Every such application shall be accompanied by a fee of twenty-one shillings. If the application is refused, the said fee shall be returned to the applicant. 5

(4.) All moneys so received by the Board shall be paid into a bank to the credit of an account in the name of two members of the Board. All expenses incurred by the Board in the execution of its functions shall be paid out of those moneys, and the residue (if any) shall be paid over by the Board to the Council on its establishment. 10

Duties of Board as to applications for registration.

10. (1.) It shall be the duty of the Board to receive, consider, and determine all applications so made to it for registration.

(2.) The decision of the Board on any such application shall be final and conclusive, and no registration or refusal of registration by the Board shall be questioned in any Court on any ground whatsoever. 15

Method of effecting registration.

11. (1.) The registration of members of the Society by the Board or the Council shall be effected by the entry in a book or books to be kept for that purpose of the following particulars:— 20

(a.) The name of the member :

(b.) The qualification by virtue of which he is registered :

(c.) The provincial district in which he resides :

(d.) His postal address :

(e.) Such other particulars (if any) as the Board or Council thinks fit. 25

(2.) When and as often as it is proved to the satisfaction of the Board or Council, or of the secretary to the Society, that any member has transferred his residence from one provincial district to another, or has altered his postal address, a corresponding alteration shall be made in the registration of those particulars.

(3.) For the purposes of this Act Otago and Southland shall be deemed to be different provincial districts, and the boundaries of those districts shall be those established by and for the purposes of the Otago Supreme Court Offices Act, 1871. 35

(4.) For the purposes of this Act Westland and Nelson shall be deemed to be a single provincial district.

Constitution and election of Council.

12. (1.) The Society shall be governed by a Council consisting, until and unless the regulations of the Society otherwise provide, of seventeen persons, to be elected by the members of the Society from among their number in manner hereinafter provided. 40

(2.) Of the members of the Council three shall represent the Provincial District of Auckland, three the Provincial District of Wellington, three the Provincial District of Canterbury, three the Provincial District of Otago, one the Provincial Districts of Westland and Nelson, one the Provincial District of Southland, one the Provincial District of Hawke's Bay, one the Provincial District of Taranaki, and one the Provincial District of Marlborough. 45

(3.) The member or members of the Council so representing any provincial district shall be elected from time to time by the members of the Society registered as resident in that provincial district. 50

13. The constitution or acts of the Council shall not be invalidated or questioned on the ground that the number of the members of the Council is incomplete, or because of any error or irregularity in the election of any member thereof.

Acts of Council not invalidated because of informality.

5 14. (1.) It shall be the duty of the Board to hold and conduct the first election of the Council so soon as practicable after the month of *March*, nineteen hundred and *nine*.

Election of Council.

(2.) For this purpose the Board shall, after the said month of *March*, post to every member of the Society at his registered postal address a list of all members of the Society and of their registered postal addresses, together with a notice appointing a day on or before which the Board will receive nominations for the said election.

15 (3.) Every such nomination shall be made in writing and shall be signed by two members of the Society registered as resident in the provincial district to be represented by the member or members so nominated.

20 (4.) After the day so appointed for the receipt of nominations the Board shall post to each member of the Society at his registered postal address a list of all persons so nominated to represent the provincial district in which that member resides, together with a voting-paper and a notice appointing a day on or before which the voting-paper must be returned to and received by the Board.

25 (5.) Every member of the Society shall be entitled to vote for the number of members to be elected to represent the provincial district in which he resides, or for any less number.

30 (6.) No voting-paper shall be valid unless the signature of the voter has been attested by a Mayor, Borough Councillor, member of either House of Parliament, Justice of the Peace, Postmaster, or solicitor.

(7.) So soon as may be after the day so appointed for the return of the voting-papers the Board shall hold a meeting, and shall there examine and count the voting-papers duly returned, and shall by resolution declare the result of the election.

35 (8.) The resolution so passed by the Board shall be conclusive proof that the election has been in all respects validly conducted, and that the persons so declared to be elected are the members of the Council.

40 (9.) On the passing of the said resolution the Council shall be deemed to be established and constituted as from the date of the resolution.

45 (10.) If in respect of any provincial district the number of persons nominated for election does not exceed the number to be elected, it shall not be necessary to send or return any voting-papers in respect of that district; and the Board shall, at the meeting hereinbefore in this section referred to, declare by resolution, in manner and with the effect aforesaid, that the persons so nominated for that district have been duly elected.

50 (11.) In any case in which two or more candidates receive the same number of votes, the Board shall determine by lot, in such manner as it thinks fit, which of those candidates is to be elected.

First meeting of Council.

15. The first meeting of the Council shall be held at such time and place as are appointed by the Board for that purpose.

First meeting of Society.

16. The first general meeting of the members of the Society shall be held at such time and place as are appointed by the Council.

Election and appointment of officers of Society.

17. (1.) At the first meeting of the Council, or so soon thereafter as may be, the Council shall elect one of its members to be the president of the Society, and another of its members to be the vice-president thereof, and another of its members to be the treasurer thereof.

(2.) The Council shall also appoint a secretary to the Society, who shall not be a member of the Council but shall be a member of the Society. The Council may pay to the secretary out of the funds of the Society such salary as the Council thinks fit.

Quorum at meetings of Council and Society.

18. (1.) At every meeting of the Council, until and unless the regulations of the Society otherwise provide, seven shall form a quorum, and no business shall be transacted at any meeting unless a quorum is present.

(2.) At every general meeting of the members of the Society, until and unless the regulations of the Society otherwise provide, twenty shall form a quorum, and no business shall be transacted at any meeting unless a quorum is present.

Officers to remain in office until election or appointment of successors.

19. The Council, president and vice-president, treasurer, and secretary elected or appointed under the provisions hereinbefore contained shall hold office until the election or appointment of their successors in accordance with the regulations of the Society.

Regulations of Society.

20. (1.) At any general meeting of the members of the Society it shall be lawful for the members present thereat personally (or by proxy, if and so far as the regulations of the Society allow of voting by proxy) from time to time to make regulations, consistent with this Act, relating to any of the matters following:—

- (a.) The constitution of the Society :
- (b.) The admission of members of the Society and the modes in which persons cease to be members thereof :
- (c.) The constitution, election, and tenure of office of the Council :
- (d.) The election, appointment, resignation, or removal of the president, vice-president, and other officers and servants of the Society :
- (e.) The qualifications and disqualifications of members of the Society or of the Council thereof or of any officers or servants thereof :
- (f.) The holding of meetings of the Council or of the members of the Society :
- (g.) The use and custody of the common seal of the Society :
- (h.) The fees payable to the Society by members thereof :
- (i.) The powers, duties, and functions of the Council, and of the president, vice-president, officers, and servants of the Society :
- (j.) The examination of candidates for admission as members of the Society, and the fees payable for any such examination :

(k.) The classification from time to time of the members of the Society as being either public accountants (being those members who in accordance with the regulations of the Society are carrying on business as accountants on their own account) and registered accountants (being all other members of the Society):

(l.) The custody, investment, and expenditure of the funds and property of the Society:

(m.) The manner of voting at any meeting of the Council or of the members of the Society or at any election:

(n.) The regulation and good government of the Society in all matters within its powers.

(2.) No such regulations shall come into force until they have been approved by the Governor in Council.

21. In any legal proceedings the production of any document purporting to be a copy of any regulations made by the Society and to be sealed with the seal of the Society shall, until the contrary is proved, be sufficient proof that those regulations have been duly made and are in full force and effect.

Copy under seal  
to be proof of  
regulations.

22. Subject to this Act and to any regulations made by the Society, the Council shall have the sole and entire management of the Society and of the income and property thereof, and may exercise on behalf of the Society all the powers and functions thereof.

Powers of Council.

23. (1.) After the establishment of the Council no person shall be registered as a member of the Society unless he has either—

Registration of  
members after  
establishment  
of Council.

(a.) Passed, in accordance with the regulations of the Society, an examination in accountancy and in such other matters (if any) as the said regulations prescribe; or

(b.) Passed, before the end of the year nineteen hundred and *nine*, the examination prescribed for admission as a fellow or associate of the Incorporated Institute of Accountants in New Zealand or of the New Zealand Accountants' and Auditors' Association; or

(c.) Been admitted, whether before or after the passing of this Act, as a member, fellow, or associate of any association of accountants which is incorporated in any part of the British Empire out of New Zealand, and which is recognised in this behalf by the regulations of the Society.

(2.) It shall be lawful for the Society to make arrangements with the University of New Zealand for the conduct by the University of all or any examinations prescribed by the regulations of the Society.

(3.) The Society may by its regulations recognise any examination prescribed by the University of New Zealand for the Degree of Bachelor of Commerce, or any part of that examination, as equivalent to and as a substitute for the examination referred to in paragraph (a) of this section or any part of that examination.

24. Until and unless the regulations of the Society otherwise provide, the common seal of the Society shall be in the custody of the Council, and shall not be affixed to any document except at a meeting of the Council, and the execution of any document to which

Execution of  
documents under  
seal.



Mode of entering  
into contracts  
by Society.

the said seal is so affixed shall be attested by two members of the Council.

25. (1.) Every contract made by the Society which if made by a private person would require to be by deed may be made under the common seal of the Society.

(2.) Every contract made by the Society which if made between private persons would require to be made or proved by writing may be made or proved by writing signed by any person thereunto duly authorised on behalf of the Society.

(3.) Every contract made by the Society which if made between private persons may be made without writing may be made in like manner by any person thereunto duly authorised on behalf of the Society.

Notices for Board  
to be sent to  
Solicitor-General.

26. Every notice, document, or other thing required by this Act to be given, or sent, or delivered to the Board may be given, sent, or delivered to the office of the Solicitor-General at Wellington, and shall then be deemed to have been received by the Board.

Society may hold  
land.

27. It shall be lawful for the Society to acquire and hold as much freehold or leasehold land as is reasonably required for offices or chambers for the use of the Society in any place or places in New Zealand.

Borrowing powers  
of Society.

28. The Society may borrow money to be expended in the purchase of such land as is mentioned in the *last preceding* section or in erecting offices or buildings for the use of the Society.

Powers of Society  
with respect to  
property.  
Fees.

29. The Society may sell, lease, exchange, or mortgage any real or personal property vested in it.

30. (1.) Every member of the Society shall pay to the Society on admission, and thereafter annually or at such other intervals as the regulations prescribe, such fees as the regulations prescribe.

(2.) The fees so made payable may be different in the case of different classes of members, as the regulations prescribe.

(3.) The Council may remove from the register the name of any member who is in arrear for three months in the payment of any fees payable by him, and, on notice of such removal under the hand of the secretary being delivered to that member or posted to his registered postal address, he shall cease to be a member of the Society.

(4.) Any member whose name is so removed from the register may at any time within twelve months after the date when notice thereof is so delivered or posted to him pay to the Council all fees which are in arrear or which would be in arrear if he had continued to be a member of the Society, and shall thereupon be entitled to have his name restored to the register. On such restoration he shall be deemed to have been readmitted as a member of the Society.

Resignation  
and expulsion of  
members.

31. (1.) A member of the Society may at any time resign his membership by writing under his hand delivered to the secretary or to any member of the Council.

(2.) A member may be expelled from the Society in the cases and in the manner prescribed by the regulations of the Society which are for the time being in force.

Offences by persons  
not members of  
Society.

32. (1.) Every person commits an offence and is liable to a fine not exceeding *fifty* pounds who, not being a member of the Society,

uses in connection with his business, trade, calling, or profession any written words, initials, or abbreviation of words intended or likely to cause any person to believe that the person using the same is a member of the Society.

5 (2.) Every person commits an offence and is liable to a fine not exceeding *fifty* pounds who, not being a member of the Society, describes himself in writing as a public accountant or a registered accountant.

10 (3.) Every person who uses in connection with his name or with the name under which he carries on business the initials P.A. or R.A. or any abbreviation of the words "public accountant" or "registered accountant," or any combination of such initials or abbreviations, shall be deemed to have described himself in writing as a registered accountant within the meaning of the *last preceding*  
15 subsection, unless it is proved that the said initials or abbreviations were used under such circumstances that they were not capable of being or were not likely to be understood by any person as a reference to the practice of accountancy.

20 (4.) If and so long as any regulations of the Society are in force for the classification of its members as being either public accountants or registered accountants, every person is guilty of an offence and is liable to a fine not exceeding *fifty* pounds who, being a member of the Society and not being classified as a public accountant in accordance with the said regulations, describes himself in writing as a  
25 public accountant, or uses in connection with his name or with the name under which he carries on business the initials P.A., or any abbreviation of the words "public accountant."

(5.) In every prosecution for an offence against subsection *one* or *two* of this section the burden of proving that the defendant was  
30 at the time when the offence was committed a member of the Society shall lie upon the defendant.

33. (1.) The Society shall at all times have a registered office, and notice of the situation thereof and of any change in the situation thereof shall be given by the Council to the Registrar of Companies under the Companies Act, 1908, at Wellington, and shall be  
35 registered by him.

Registered office  
of Society.

(2.) If any default is made by the Society or Council in the observance of the requirements of this section, each member of the Council shall be liable to a fine not exceeding *one* shilling for every  
40 day during which the default continues.

(3.) All writs, notices, or other documents required or authorised to be served on or delivered or sent to the Society or Council shall be deemed to be duly served, delivered, or sent if left at the registered office of the Society.

45 34. (1.) Within one month after the establishment of the Council, and in the month of January in every year thereafter, the Council shall send to the Registrar-General, under the hand of the president, vice-president, or secretary, a complete list of the names and addresses of all members of the Society.

Returns to be made  
to Registrar-  
General.

50 (2.) As often as any new member is admitted, and as often as any member ceases by reason of his resignation, removal, or expulsion to be a member, the Council shall within seven days thereafter

send a notice of the fact to the Registrar-General under the hand of the president, vice-president, or secretary, and the Registrar-General shall thereupon make an entry accordingly in the aforesaid list of members.

(3.) The said list shall at all reasonable times remain open to 5 public inspection in the office of the Registrar-General without fee.

Offences to be dealt with summarily.

35. All offences against this Act may be dealt with summarily in accordance with the Justices of the Peace Act, 1908, on the information of any person.

By Authority : JOHN MACRAY, Government Printer, Wellington.—1908.