

The Chartered Accountants Ordinance, 1961

(Ordinance NO. X OF 1961)

An Ordinance to make provision for the regulation of the profession of accountants. ^{1♣}

WHEREAS it is expedient to make provision for the regulation of the profession of accountants and for that purpose to establish an Institute of Chartered Accountants;

NOW, THEREFORE, in pursuance of the Proclamation of the seventh day of October, 1958, and in exercise of all powers enabling him in that behalf the President is pleased to make and promulgate the following Ordinance:-

CHAPTER I PRELIMINARY

Short title, extent and commencement

1. (1) This Ordinance may be called the Chartered Accountants Ordinance, 1961.

(2) It extends to the whole of Bangladesh.

(3) It shall come into force on such date as the Government may, by notification in the official Gazette, appoint in this behalf.

Definitions

2. (1) In this Ordinance, unless there is anything repugnant in the subject or context,-

(a) “associate” means an associate member of the Institute;

(b) “chartered accountant” means a person who is a member of the Institute;

(c) “Council” means the Council of the Institute;

(d) “Institute” means the Institute of Chartered Accountants of Bangladesh constituted under this Ordinance;

(e) “prescribed” means prescribed by the bye-laws of the Institute;

(f) “Register” means the Register of the Members of the Institute maintained under this Ordinance;

(g) “registered accountant” means any person who has been enrolled on the Register of Accountants maintained by the Government under the Auditors' Certificates Rules, 1950;

(h) “year” means the period commencing on the first day of July of any year and ending on the thirtieth day of June of the succeeding year.

(2) A member of the Institute shall be deemed “to be in practice”, when individually or in partnership with chartered accountants in practice, he, in consideration of remuneration received or to be received,-

(i) engages himself in the practice of accountancy, or

(ii) offers to perform or performs services involving the auditing, or verification of financial transactions, books, accounts, or records or the preparation, verification or certification of financial accounting and related statements or holds himself out to the public as an accountant; or

(iii) renders professional services or assistance in or about matters of principle or detail relating to accounting procedure or the recording, presentation or certification of financial facts or data; or

(iv) renders such other services as, in the opinion of the Council, are or may be rendered by a chartered accountant in practice; and the words “to be in practice” with their grammatical variations and cognate expressions shall be construed accordingly.

Explanation.- An associate or a fellow of the Institute who is a salaried employee of a chartered accountant in practice or a firm of such chartered accountants shall, notwithstanding such employment, be deemed to be in practice for the limited purpose of the training of articled clerks.

CHAPTER II

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF BANGLADESH

Incorporation of the

3. (1) All persons whose names are entered in the Register at the commencement of this Ordinance and all persons who may hereafter have

their names entered in the Register under the provisions of this Ordinance, so long as they continue to have their names borne on the said Register, are hereby constituted a body corporate by the name of the Institute of Chartered Accountants of Bangladesh, 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 and be sued.

**Entry of
names in
Register**

4. (1) Any of the following persons shall be entitled to have his name entered in the Register, namely,-

(i) any person who is a registered accountant at the commencement of this Ordinance;

(ii) any person who has passed such examination and completed such training as may be prescribed;

(iii) any person who has passed such other examination and completed such other training outside Bangladesh as is recognised by the Government or the Council with the approval of the Government as being equivalent to the examination and training prescribed for members of the Institute:

Provided that in the case of any person who is not permanently residing in Bangladesh, the Government or the Council, with the approval of the Government, as the case may be, may impose such further conditions as it may deem fit;

(iv) any person domiciled in Bangladesh, who at the commencement of this Ordinance is studying for any foreign examination and is at the same time undergoing training, whether within or without Bangladesh, or, who, having passed such foreign examination, is at the commencement of this Ordinance undergoing training whether within or without Bangladesh:

Provided that any such examination or training was recognised before the commencement of this Ordinance for the purpose of conferring the right to

be registered as an accountant under the Auditors' Certificates Rules, 1950, and provided further that such person passes the examination or completes the training.

(2) The name of every person belonging to the class mentioned in clause (i) of sub-section (1) shall be entered in the Register without the payment of any entrance fee or any application being made in that behalf and shall, for the purpose of sub-section (1) of section 3, be deemed to have been so entered at the commencement of this Ordinance.

(3) Every person belonging to any of the classes mentioned in clauses (ii), (iii) and (iv) of sub-section (1) shall have his name entered in the Register on application being made and granted in the prescribed manner and on payment of the prescribed fee, which shall not exceed rupees five hundred in any case.

(4) The Government shall take such steps as may be necessary for the purpose of having the names of all persons belonging to the class mentioned in clause (i) of sub-section (1) entered in the Register.

Associates and Fellows

5. (1) The members of the Institute shall be of two classes designated respectively as associates and fellows.

(2) Every person shall, on his name being entered in the Register, become an associate member of the Institute and be entitled to use the letters A.C.A. after his name to indicate that he is an associate member of the Institute of Chartered Accountants.

(3) A member, being an associate who has been in continuous practice in Bangladesh for at least five years, whether before or after the commencement of this Ordinance, or whether partly before and partly after the commencement of this Ordinance, and a member who has been a registered accountant or an associate for a continuous period of not less than ten years whether before or after the commencement of this Ordinance or whether partly before or partly after the commencement of this Ordinance shall, on payment of the

prescribed entrance fee, which shall not exceed rupees five hundred in any case, and on an application made and granted in the prescribed manner, have his name entered in the Register as a fellow of the Institute and shall be entitled to use the letters F.C.A. after his name to indicate that he is a fellow of the Institute of Chartered Accountants.

Explanation.- For the purpose of this sub-section two years as a non-practising registered accountant or as a non-practising associate shall be counted as one year of practice of such registered accountant or associate.

**Certificate
of practice**

6. (1) No member of the Institute shall be entitled to practise as an auditor of a public company as defined in the Companies Act, 1913, unless he has obtained from the Council a certificate of practice:

Provided that nothing contained in this sub-section shall apply to any person who, immediately before the commencement of this Ordinance, has been in practice as a registered accountant until one month has elapsed from the date of the first meeting of the Council.

(2) Every such member shall pay such annual fee for his certificate as may be prescribed, and such fee shall be due on the first day of July in each year.

**Members to
be known
as
Chartered
Accountants**

7. Every member of the Institute in practice shall, and any other member may, use the designation of a Chartered Accountant and no member using such designation shall use any other designation, whether in addition thereto or in substitution therefore:

Provided that nothing contained in this section shall be deemed to prohibit any such person 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 Bangladesh or elsewhere as may be recognised in this behalf by the Council, or any other qualification that he may possess, or to prohibit a firm, all the partners of which are members