

**PAPUA NEW GUINEA INSTITUTE OF ACCOUNTANTS
RULES
(Under the Accountants Act)**

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SECTION 1 - PRELIMINARY

Definitions

1.1 In the interpretation of the Rules, unless the context or subject matter otherwise indicates or requires:

(a) References herein to Fellows, Associates, Accounting Technicians, Registered Graduates, Registered Students, members and meetings shall be construed as having reference to Fellows, Associates, Accounting Technicians, Registered Accountancy Graduates, Registered Accountancy Students, members and meetings of the Institute.

(b) "advancement in status" means the change in the class of a member from that of Registered Student to Registered Graduate, Registered Graduate to Accounting Technician, Registered Graduate or Accounting Technician to Associate or Associate to Fellow.

(c) "Executive Director" means the chief executive officer of the Institute appointed by the National Council and includes any person for the time being discharging the duties of such officer.

(d) "month" means calendar month.

(e) "prescribed" means prescribed by the Rules under the Accountants Act 1996.

(f) "registered address" of a member means his address on the Register of Members.

(g) "special resolution" means a resolution passed by a majority of not less than three fourths of the votes cast at a meeting (including a postal ballot of members) or at a meeting of the National Council at which more than half of the National Councilors or their alternates are present.

(h) "writing" includes printing, typing, lithography, microfilm, photocopying, facsimile transmission and other modes of representing or reproducing words in a visible form and "written" has a corresponding meaning.

(i) where the word 'he' is used the word 'she' may be substituted where applicable; where the word 'him' is used the word 'her' may be substituted where applicable.

SECTION 2 - MEMBERSHIP

2.1 Membership of the Institute shall Consist of:

- (a)* Fellows of the Institute
- (b)* Associates of the Institute
- (c)* Accounting Technicians
- (d)* Registered Accountancy Graduates
- (e)* Registered Accountancy Students.

2.2 All admissions of members shall be made by the National Council.

2.3 Every application for admission shall satisfy the National Council in such manner as the Council requires, that the applicant has fulfilled the prescribed conditions of such admission and shall also produce such evidence of fitness for such admission as the Council deems necessary.

2.4 The National Council, may, at its absolute discretion and without giving any reason therefore, refuse to admit as a Fellow, Associate, Accounting Technician, Registered Graduate or Registered Student a person whom it shall consider not to be a fit and proper person to be so admitted even if the prescribed conditions of such admission have been fulfilled.

2.5 Every application for admission shall be lodged with the Institute together with:

- (a)* the prescribed admission fee,
- (b)* the prescribed annual subscription, and
- (c)* such other fee or amount as may be prescribed.

2.6 (a) A person shall be eligible for admission to membership of the Institute as an Associate it at the date of his application for such admission:

- (i)* the applicant has attained the age of twenty-one years;
- (ii)* the applicant has passed the prescribed examinations or meets the requirements concerning admission as prescribed from time to time by the National Council of the Institute;
- (iii)* the applicant has completed the prescribed period of service in accounting as determined by the National Council of the Institute;
- (iv)* the applicant has been attested to be a person of reputable character;
and
- (v)* the applicant upon admission agrees to and is able to comply with the requirements of the Accountants Act and these Rules.

(b) An Associate may be advanced to the status of Fellow if in the opinion of the Council considering the application; the applicant is a fit and proper person to become a Fellow. In forming its opinion the National Council of the Institute shall have regard, to the duration and quality of experience of the Associate.

Notwithstanding the above, an applicant for advancement to the status of Fellow must have been an Associate of the Institute for a period of at least ten years. Any Associate who considers that he may be eligible to be so advanced may make an application to the Institute for advancement to the class of Fellow.

2.7 Special Admission

The National Council of the Institute may by resolution passed by a majority of National Councilors present and voting dispense with all or any of the foregoing requirements regarding admission and admit any person to membership in the Institute in such status as it thinks fit or grant a change in status to any member.

- (a)* if that person or member has extensive experience in accountancy; or
- (b)* if that person or member has rendered valuable service in advancing the interests of the profession; or
- (c)* for any special reason National Council deems sufficient.

Guidelines are as follows:

- Applicants or Nominees should hold Papua New Guinea degree qualifications or equivalent (but not necessarily accounting qualifications), but under exceptional circumstances where no degree is held, the experience and achievements of the nominee should be such as to provide the depth and breadth of knowledge and the skills expected of a member of Associate or Fellow status.
- The applicant or Nominee should hold or have held a senior position normally held by a person with accounting qualifications or who would be at least of Associate status.
- The Institute should benefit from having the Applicant or Nominee as a member.
- Once admitted, the Applicant or Nominee's professional standing will be as for any member admitted or advanced under the normal processes. Membership is indistinguishable from other members.
- Applications or nominations are approved on the basis of personal and professional attributes, not only because of the position held, and the nominee will remain a member of the Institute regardless of changes in employment.
- Papua New Guinea applicants or nominees should not be a principal in Public Practice, nor be permitted to hold a public practice certificate unless all the requirements of becoming a public practitioner have been complied with.
- Persons admitted or advanced under these provisions will be treated as normal members after admission or advancement, with no exemptions from Continuing Professional Education requirements or fee obligations.

- While the majority of Nominees for admission or advancement under these provisions will fall within the foregoing guidelines, National Council has the authority to admit or advance any Applicant or Nominee "for any special reason National Council deems sufficient".
- All applications or nominations forwarded to National Council must include all information required by the guidelines.

2.8 If an applicant is refused admission, any moneys lodged by him with his application shall be refunded (excluding the admission fee).

2.9 Any member may resign from membership by sending his resignation in writing together with all moneys owing by him to the Institute, whether for subscription, fee or other amount, to the National Council of the Institute.

Provided that no resignation shall take effect unless and until the National Council has accepted it. The National Council shall not accept the resignation of a member whose conduct is the subject of investigation or disciplinary proceedings by the Accountants Statutory Committee under Sections 54-62 of the Accountants Act.

Provided further that any member whose notice of resignation was not received by the National Council prior to the end of the financial year in any year shall remain liable for any subscription, fee or other amount payable by him to the Institute in respect of that year and the following year, save that, in any case, the National Council may in its absolute discretion remit the whole or any part of such subscription, fee or other amount.

2.10 The National Council of the Institute may, by special resolution, readmit to membership, subject to such terms and conditions as such Council may think fit to impose, any person who has resigned or ceased for any reasons, to be a member.

2.11 The National Council of the Institute may exclude a member if:

(a) under any legislation relating to mental health, a member is certified, declared or found to be mentally ill, or in need of treatment or care and control, or incapable or managing his own affairs, or is admitted to and remains in hospital or other institution for the treatment of mental illness, or a guardian is appointed to him or a trustee or administrator is appointed to his estate; has been adjudicated bankrupt or has made a composition with creditors; has been convicted of an indictable offence; or

(b) a member fails to pay any subscription; fee or other amount payable to the Institute, including fees, fines and costs, within six months after the same has become due.

Such a member may be readmitted to membership under Rule 2.10.

SECTION 3 - EXAMINATIONS

3.1

(a) The National Council of the Institute shall prescribe examinations as a prerequisite for all persons seeking admission to membership of the Institute (except those exempted there from under Rule 3 .2) and shall prescribe educational qualifications and other conditions if any, which it deems necessary for such persons to become members of the Institute.

(b) The National Council may prescribe as any of the examinations or educational qualifications referred to in Rule 3. 1, examinations conducted by any university, public education authority or other institution, whether in Papua New Guinea or elsewhere.

(c) When the National Council prescribes examinations conducted by the Institute, it shall also prescribe the subjects for such examinations.

(d) The National Council may, from time to time by special resolution, make regulations for the holding and conduct of the examinations referred to in Rule 3. 1 (c) and may by such regulations prescribe the periods of service or experience (if any) required of candidates or any class of candidates and the fees payable by them for such examinations.

(e) In the case of registered graduates, the prescribed examinations to be passed to advance to Associate status must be completed within seven years from the date of becoming a registered graduate. In the event of failure to complete this requirement within seven years, the registered graduate ceases to be a member of the Institute unless advancement has been made in the meantime to the status of Accounting Technicians. In the case of members who hold Accounting Technicians status they have a period of seven years from the time of registration as an Accounting Technician to pass the prescribed examinations of the Institute if they wish to advance to the status of Associate. In both cases the Council may give special dispensation if some of the relevant seven years are spent overseas.

(f) A person with a qualification from an approved institution as determined by the National Council from time to time, and with a minimum of three years of satisfactory practical experience may, on the passing of a competency examination as prescribed by the National Council, be admitted as a member of the Institute with the status of Accounting Technician.

(g) In the case of overseas applicants who are members of overseas accountancy bodies they will be required to sit and pass such examinations as the National Council of the Institute may from time to time prescribe before being admitted as an Associate member of the Institute.

3.2 The National Council of the Institute may from time to time prescribe conditions under which exemption may be granted from any examinations or from any part thereof and may prescribe the fee or other amount payable therefore.

3.3 The National Council of the Institute shall direct and supervise the conduct of any examinations conducted by the Institute. Without limitation of the foregoing, the Council may appoint such persons as it may think fit to set examination questions or papers or to mark them and persons as it may think fit to supervise the sitting of such examinations.

3.4 Any person who has failed to pass any examination conducted by the Institute may present himself again at any subsequent examination subject to the limitation of Rule 3. 1 (e), save that the National Council of the Institute may in its discretion, refuse to allow such person so to present himself or herself

3.5 The decision of the National Council of the Institute in respect of examination results shall be final and shall not be subject to appeal.

SECTION 4 - RIGHTS AND OBLIGATIONS OF MEMBERS

4.1 On application for admission to membership, every applicant shall in writing under his hand inform the Council of the Institute of his principal place of business (whether as a principal or an employee) and the nature of such business and of his place of residence and shall thereafter advise the Institute of any change in these particulars.

4.2 The National Council of the Institute may from time to time require any member, to satisfy such Council, in such manner as it requires, whether he is, or is not, in practice as a public accountant or employed by a public accountant or a practice entity.

4.3

(a) On the admission of any member entitled to vote, a certificate form shall, on payment of such fee, if any, as the National Council of the Institute may from time to time prescribe, be issued to such member certifying his class of membership.

(b) The certificate shall bear the signatures of two of the President, the Vice President and the Executive Director. These signatures may be printed reproductions, and its issue shall be recorded in a register to be kept for that purpose.

(c) Every such certificate shall remain the property of the Institute and the National Council shall be at liberty at any time to call for, and compel, its production and delivery. The National Council may alter or amend any such certificate or issue a new certificate in place thereof

(d) The National Council of the Institute may charge such fee as it may from time to time prescribe for any such new certificate.

(e) Any person ceasing to be a member of the Institute shall, upon demand in writing by the Institute, return his certificate of membership to the Institute for cancellation.

(f) If any member neglects or refuses to deliver up his certificate on demand as aforesaid, the Institute may institute legal or other proceedings for its recovery.

4.4 Members shall be entitled to receive such notice of meetings and to exercise such voting power as is hereinafter prescribed both in relation to meetings of members of the Institute and branch meetings.

4.5 A member of the Institute whose name, address and class membership are not entered in the National Register of Members shall not be entitled to be serviced with notice of, or to vote at, any meeting of the members of the Institute.

4.6

(a) A member in the employment of a public accountant or a practice entity shall not undertake any public accountancy services.

(b) A member in the employment of the State, or by a statutory body or by a private organisation shall not undertake any public accountancy services.

(c) A breach of this clause will cause the Council of the Institute to refer such a breach to the Accountants Statutory Committee under the Accountants Act.

4.7 Any person who, for any reason, ceases to be a member shall nevertheless remain liable for, and shall pay to, the Institute all moneys which at the time of his ceasing to be a member were due from him to the Institute.

SECTION 5 - FEES AND SUBSCRIPTIONS

5.1 Every person applying for admission or advancement in status, shall pay such subscription, fees and other amount as may be prescribed from time to time by the National Council of the Institute.

5.2

(a) Annual subscription shall cover the period of the financial year and shall the National Council of the Institute determine payable in advance at the beginning of the financial year as from time to time.

(b) Where a person is admitted later than six months from the end of the financial year, his annual subscription for the remainder of the current year shall be one-half of the year's subscription. The balance of the annual subscription for the current year paid shall be carried forward to the following financial year.

5.3 Should any member be disabled through ill health or other sufficient cause from continuing to practice his profession, the National Council may reduce or remit his annual subscription and other fee or amount payable by him from time to time and may also remit any arrears of subscription and other fee or amount due from that member.

SECTION 6 - MEETINGS OF MEMBERS

6.1 The National Council of the Institute shall convene an annual general meeting of members of the Institute in the month of November in each year or in such other month as the National Council may determine, provided that not more than 15 months shall elapse between two successive annual general meetings. Such meetings shall be called ordinary general Institute meetings.

6.2 The National Council of the Institute may, whenever it thinks fit and shall upon a requisition made in writing by twenty members, convene a special meeting of members of the Institute. Such meetings shall be called special general Institute meetings.

6.3 At every ordinary or special general meeting the President shall take the chair. If the office of the President is vacant or if the President is not present at the time appointed for the meeting, the Vice President shall take the chair. If neither of the President, or the Vice-President is present, the members present shall choose one of their number to act as chairman.

6.4 Each Branch Council of the Institute shall convene an annual general meeting of members no later than one month after the end of the financial year, and at such place as the Branch Council may determine. Such meetings shall be called ordinary general branch meetings.

6.5 A Branch Council of the Institute may, wherever it thinks fit, and shall upon a requisition made in writing by ten of such members, convene a special meeting of such members.

Such meetings shall be called special general branch meetings.

6.6 At every ordinary or special general branch meeting the branch Chairman shall take the chair. If the office of Branch Chairman is vacant or if the Branch Chairman is not present at the time appointed for the meeting, the Vice-Chairman of the Branch Council shall take the chair. If neither the Branch Chairman nor the Vice-Chairman is present, the members present shall choose one of their number to act as chairman.

6.7 The succeeding Rules in this Section shall apply to ordinary general Institute meetings and special general Institute meetings of the Institute and to ordinary and special general Branch meetings (except where otherwise provided therein). References therein to ordinary general meetings shall apply to ordinary general meetings of the Institute and ordinary general Branch meetings. References therein to special general meetings shall apply to special general meetings of the Institute and special general Branch meetings. References therein to meetings shall apply to any of such meetings and references therein to Councils, Councillors, office bearers, officers and offices shall be taken to refer to those of the Institute or of a Branch as the case may require.

6.8 Any requisition for a special general meeting shall specify the object of the meeting required and shall be signed by the members making the same and shall be deposited at the National office of the Institute. It may consist of several documents in like form each signed by one or more of the requisitionists. The meeting shall be convened for the purposes specified in the requisition and, if convened otherwise than by the Council, for those purposes only.

6.9

(a) If the Council within thirty days after the deposit of a requisition fail to convene a special general meeting to be held within sixty days after such deposit, the requisitionists may themselves convene a meeting to be held at the office or at some other convenient place in the city which the office is situated within ninety days after such deposit.

(b) Any meeting convened under this Rule by the requisitionists shall be convened in the same manner as that in which meetings are convened by the Council.

6.10 Twenty-one days notice specifying the place, day and hour of meeting and, in case of special business, the general nature of such business, shall be given at every meeting by notice on each member entitled to be served. Provided that where Council pursuant to Rule 6 accepts notice of any motion or business. 13 less than thirty days before the date of an ordinary general Institute meeting, such notice shall be given to members of the proposed motion as the Council shall deem fit and, in its discretion, the Council may dispense with any such notice.

6.11 The accidental omission to give any notice or to send any voting paper to any member, or the non receipt of any notice or voting paper by any member, shall not invalidate any resolution passed, any election held or other proceeding taken at any meeting.

6.12 The ordinary business of an ordinary general Institute meeting shall be to receive and consider the balance sheet and income and expenditure account of the Institute, the report of the National Council and the report of the auditor and to appoint an auditor. The ordinary business of an ordinary general Branch meeting shall be to receive and consider the reports

6.13 A member wishing to bring before a meeting any motion of business not relating to the ordinary business of the meeting, shall give notice thereof in writing to the Council, such notice to be received not later than thirty days before the date fixed for such meeting.

6.14 No motion or business shall be entertained or transacted at any meeting unless notice thereof has been properly given or dispensed with or unless the same shall, in the opinion of a majority of members personally present and entitled to vote, directly arise out of the motion of business properly before the meeting.

6.15

(a) Twenty members, in the case of the Institute, and ten members in the case of Branches, personally present and entitled to vote shall constitute a quorum at an ordinary or special general meeting for the choice of the chairman, the adjournment of a meeting, the reception and consideration of the annual balance sheet, income and expenditure account and reports and for the reception of the chairman's declaration of the appointment of the auditor if one nomination only has been received for this office.

(b) In all other cases, fifteen members, in the case of the Institute, and seven members in the case of Branches, personally present and entitled to vote shall constitute a quorum.

6.16 Subject to Rule 6. 1 7, no business shall be transacted at any meeting unless the quorum requisite for such business shall be presented at the commencement of the business.

6.17 If within half an hour from the time appointed for a meeting a quorum is not present, the meeting, if convened upon such requisition as aforesaid, shall lapse. In any other case it shall stand adjourned to the next day at the same time and place and if, at such adjourned meeting, a quorum is not present, those members who are present shall be competent to transact the business for which the meeting is called.

6.18 At any meeting questions or resolutions, which are submitted to the meeting for determination, shall be decided, in the first instance, by a show of hands.

6.19

(a) Except on a motion for adjournment or for the election of a chairman, two members personally present and entitled to vote at such meeting may demand a poll.

(b) A poll shall be taken at the meeting in such manner as the chairman of the meeting directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

(c) In a vote by show of hands or on a poll a chairman shall be entitled to vote as a member, but shall have no additional or casting vote, and in all cases where there is an equality of votes the question or resolution submitted to the meeting shall be deemed to have lapsed.

6.20 At any meeting, unless a poll is demanded, a declaration by the chairman that a resolution has been carried by a particular majority or lost or not carried by a particular majority then an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

6.21 The chairman of a meeting may, with the consent of the meeting, adjourn the same from time to time and place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place unless, in the opinion of a majority of the members personally present and entitled to vote, the same shall directly arise there out.

6.22 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

6.23

(a) The National Council may at any time resolve that for reasons of practicality or economy, in lieu of submitting a proposal to a meeting, it shall submit a proposed resolution or resolutions to members by means of a postal ballot which ballot shall be conducted in the manner set forth in this Rule. Postal voting must allow members entitled to vote, a minimum of twenty one days from the time of receiving voting papers to the return of their voting papers to the scrutineers. Postal votes may be sent by facsimile. Any postal vote received outside the prescribed period is to be treated as an invalid vote.

(b) Prior to sending to members the voting papers, the National Council shall appoint five members to be scrutineers, at least three of whom shall act as such.

(c) The National Council shall set out the resolution or resolutions proposed by it and shall cause voting papers setting out the same and containing full directions as to the method of voting to be posted to all members who would have been entitled, if present, to vote at a meeting held on the day of the posting of the said voting papers. Such voting papers shall be posted to each such member.

(d) All members wishing to vote on the resolution or (if there be more than one resolution) on any resolution, must do so by voting in the manner indicated in the directions and by posting or sending by facsimile transmission the voting papers to the Institute addressed to the scrutineers so as to be received by them not later than twenty one days after the date of which such voting papers would have reached the members in the ordinary course of post.

(e) Within seven days after the last day upon which votes can be received under Rules 6.23 (d), the scrutineers or at least three of them shall meet and examine the voting papers.

(f) The scrutineers shall reject the vote of any member who at the date of such meeting was in arrears for more than three months in payment of any subscription, fee or other amount payable by him to the Institute or who has failed to observe the directions mentioned in Rule 6.23(a) (unless in their opinion he has clearly indicated the way in which he wishes to vote) and they may reject any other vote which, in their view, ought properly to be rejected. The scrutineers shall as soon as practicable, report the result of the voting to the President and shall include in such report a statement of the number of

votes rejected by them and the reasons for such rejection. The President shall arrange for the result of the postal ballot to be given to members within a reasonable time after the receipt of such report, whether by publication in the Institute's newsletter, journal or otherwise. The report of the scrutineers as to the result of the voting shall be conclusive. A resolution passed by such ballot shall have the same force and effect as if it were a resolution passed at a meeting of members held on the date of the report of the scrutineers.

(g) Where for any reason the President is unable to exercise any powers granted to him under this Rule, the power shall be exercised by any National Councillor who is deputed by the National Council to exercise such powers.

6.24

(a) On a show of hands every member personally present and entitled to vote shall have one vote. Upon a poll Fellows and Associates shall have three votes and Accounting Technicians shall have one vote.

(b) On a postal ballot Fellows and Associates shall have three votes and Accounting Technicians one vote.

6.25 Votes on a poll may be given either personally or by attorney or proxy.

6.26 No person shall vote as attorney under power or as proxy who is not a member of the Institute and entitled to vote.

6.27 The instrument appointing a proxy or the power of attorney (if any) under which any proxy paper is signed or under which an attorney proposes to vote shall be deposited for verification at the National Institute office not less than forty-eight hours before the time for holding the meeting or adjourned meeting or postal ballot (as the case may be) at which the proxy or attorney proposes to vote but no instrument appointing a proxy at which the proxy shall be valid after the expiration of three months from the date of its execution.

6.28 The instrument appointing a proxy or a power of attorney shall become invalid if the principal dies before the meeting to which the proxy or power of attorney relates even if no intimation in writing of the death or revocation shall have been received before the meeting.

6.29 Every instrument of proxy, whether for a specified meeting or otherwise, shall be in writing under the hand of the appointer and attested by a witness and as - nearly as circumstances admit shall be in the form prescribed by the National Council.

6.30 A member shall not be entitled to be present or to vote on any question personally or by attorney or by proxy or as attorney or proxy for another member at any meeting or on any postal vote or to be reckoned in a quorum whilst he is in arrears for more than three

months in payment of any subscription, fee or other amount payable by him to the Institute.

6.31 Unless he indicates to the contrary, a member voting shall be deemed to have voted for himself and for all other members whose attorney or proxy he holds, but a member may cast separate votes for himself and any such other members.

SECTION 7 NATIONAL COUNCIL

7.1 The election of National Councillors in accordance with Section 25 of the Accountants Act at any ordinary general meeting shall be conducted as follows:

(a) Nominations of eligible candidates shall be in writing, signed by two members entitled to vote, shall also be signed by the candidate nominated, and shall be lodged at the Institute National office at least one month immediately preceding the meeting.

(b) If the requisite number of candidates are nominated or deemed to be nominated, the chairman shall, at the meeting, declare them duly elected. If less than the requisite number are nominated or deemed to be nominated, it shall be competent for the meeting, by resolution, to receive nominations for the number of places in excess of those for which nominations have been received or deemed to have been received and proceed to election in such manner as the chairman directs.

(c) If more than the requisite number of candidates are nominated or deemed to be nominated, votes shall be given by voting papers only. Every voting paper shall be in the form prescribed by the National Council.

(d) Every voting paper shall contain the names of the candidates for election, shall be accompanied by brief biographical details and information concerning the candidate's past service to the Institute and the profession and shall be sent to all the members on the Institute Register of members entitled to vote at the election.

(e) In counting the votes every Fellow or Associate shall have three votes and every Accounting Technician shall have one vote. Registered Graduates and Registered Students shall not be entitled to a vote.

(f) The method of voting shall be by scoring out on the voting paper all but the names of the candidates for whom a member wishes to vote.

(g) Every voting paper, which shows votes for more candidates than the exact number of Councillors to be elected, shall be invalid.

(h) Original voting papers or facsimiles thereof must be received at the Institute National Office 48 hours before the time appointed for holding the meeting.

(i) In accordance with Rule 6.23(b) the National Council, at its meeting immediately preceding the ordinary general meeting, shall appoint at least

five scrutineers who, within forty-eight hours preceding such meeting, shall count the votes so cast.

(j) The scrutineers shall reject any voting paper, which, in their opinion, is informal.

(k) The scrutineers shall certify under their hands the result of the count and deliver their certificate to the chairman of the meeting.

(l) Subject to the above provisions, the Chairman of the National Council, in his absence or inability to act, the Vice-Chairman, shall determine conclusively all questions of detail concerning the election.

(m) The Chairman and Vice-Chairman of the National Council shall sign a record of the result of the election which record shall be entered in the minute book and shall be conclusive evidence of the result of the election.

(n) The chairman of the meeting shall announce the result of the election at the meeting or, if the result is not then ascertained, he shall, as soon thereafter as practicable, advise all members of the Institute on its Register of Members the result of the election.

7.2 In the event of any casual vacancy occurring in any National Council, the vacancy may be filled by the remaining National Councillors appointing an eligible member of the Institute to fill the vacancy but the member so appointed shall hold office only during the period for which the vacating National Councillor would have held office if no vacancy had occurred.

7.3 The continuing National Councillors may act notwithstanding any vacancy in the Council, provided that, if the number of continuing National Councillors at any time is less than the quorum fixed for that National Council, such continuing Councillors may act, but only for the purpose of filling the vacancies.

7.4 The office of a Councillor shall be vacated:

(a) if he dies or resigns that office by resignation in writing;

(b) if he ceases to be a member of the Institute;

(c) if he is absent from three or more consecutive ordinary meetings of the Council without the leave of that Council and the Council resolves that his office be vacated;

(d) if he becomes liable to be excluded from membership under Rule 2.11.

7.5

(a) A meeting of the National Council may at any time be called by the order of the President, the Vice-President or shall be called by the Executive Director on receipt of a request in writing addressed to him by any three National Councillors.

(b) The National Council shall meet at such places and at such times as they may respectively determine, but must meet not less than six times a year.

7.6 Ten days notice of every meeting of the National Council, or five days notice in case of any emergency, shall be given by notice served on each National Councillor.

7.7 The notice shall specify the place, day and hour of meeting and shall contain, as far as practicable, a statement of the general nature of the business to be transacted at the meeting.

7.8 The accidental omission to give any notice or the non-receipt of any notice so serviced or the non-existence of any emergency shall not affect the validity of the proceedings at the meeting.

7.9 A National Councillor under this Rule shall vacate that office in accordance with Section 27 of the Accountants Act 1996.

7.10

(a) A National Councillor may, with the approval of the National Council, appoint a Branch Councillor to be an alternate to sit and act as a National Councillor in his place during such period as he thinks fit, save where the National Councillor is an office bearer, the alternate cannot act also as office bearer in his stead.

(b) An alternate so appointed, who must be a Fellow or Associate of the Institute, shall be entitled to notice of all meetings of the National Council and, if his appointer is not present at such a meeting, shall be entitled to attend and vote in his stead.

(c) An alternate so appointed may exercise any powers that his appointer may exercise and, in the exercise of any such power, the alternate shall be an officer of the Institute and shall not be deemed to be an agent of his appointer. An alternate so appointed shall be subject in all respects to the conditions attaching to the National Councillors generally.

(d) The appointment of an alternate may be terminated at any time by his appointer, notwithstanding that the period of the appointment of the alternate has not expired, and terminates in any event if his appointer vacates office as a National Councillor.

(e) An appointment, or the termination of appointment, of an alternate shall be effected by a notice in writing signed by the National Councillor who makes or made the appointment. The notice of appointment or termination of appointment of an alternate shall be delivered to the National office of the Institute or forwarded by telex or telegram or facsimile transmission to the office of the Institute and, in the case of a telex, telegram

or facsimile transmission, the appearance at the end of the message of the name of the National Councillor appointing or terminating the appointment shall be sufficient evidence that the National Councillor has signed the notice.

7.11 The National Councillor appointed to fill any casual vacancy shall hold the office only during the period for which the vacating National Councillor would have held it if no vacancy had occurred.

7.12 The continuing National Councillors may act, notwithstanding any vacancy or vacancies in the National Council, provided that, if the number of continuing National Councillors at any time is less than the quorum fixed by the Rules, such continuing National Councillors may act, but only for the purpose of filling the vacancy.

7.13 Save as otherwise provided in the Rules, National Councillors shall hold office until their successors have been appointed.

7.14

(a) The office of President, Vice-President and Treasurer shall be vacated upon the conclusion of the meeting at which the successor to any such office is appointed or if the holder of any such office:

(i) resigns that office by resignation in writing;

(ii) if the case of the office of President, Vice President, Treasurer or Councillor, is removed from that office by special resolution passed at a special meeting of the National Council convened with notice of the purpose;

(b) Any casual vacancy in any such offices shall be filled at a meeting of the National Council to be held as soon as practicable after the occurrence of the vacancy and notice of the intention to fill such vacancy shall be given to all the National Councillors.

7.15 At all meetings of the National Council the President or, in his absence, the Vice-President shall preside. If at any meeting none of these office bearers shall be present at the time appointed or holding the same, the National Councillors present shall choose one of their number to be chairman of that meeting.

7.16 In accordance with Section 28(2) of the Accountants Act 1996:

(a) not less than one half of the members of the Council constitute a quorum;

(b) any question or resolution submitted to any meeting of the National Council for determination shall be decided by a majority of votes of

members of the National Council then present either in person or by alternate;

(c) The chairman shall have a deliberative and in the event of an equality of votes on a matter also a casting vote.

7.17

(a) A resolution in writing a copy of which is served on every National Councillor present in Papua New Guinea and signed by all of those National Councillors shall (subject as hereinafter mentioned) be as valid and effectual as if it had been duly passed by the National Council at a duly convened National Council Meeting. Where a National Councillor is absent from Papua New Guinea but has appointed an alternate who is present in Papua New Guinea, the copy shall be served on the alternate and may be signed by him.

(b) No such resolution shall be valid or effectual if within twenty-one days of the date of posting copies of the resolution to every National Councillor, at least three of the members of the National Council signify in writing under their hands their objection to the same. All such resolutions and objections shall be recorded in the minute book.

7.18

(a) Subject to the provisions of the Accountants Act 1996, the National Council may appoint committees, which may include persons other than National Councillors or members of the Institute; and may

(i) receive recommendations from such committees;

(ii) lay down rules for regulating the proceedings of such committees.

(b) The quorum of such committees shall be not less than one half of the members of the committee.

7.19

(a) The National Council shall appoint an Executive Committee comprising the President, Vice President and Treasurer.

(b) The Executive Committee may exercise any powers of the National Council, delegated to them by the National Council. The resulting action taken must be ratified by Council and recorded in the minutes of the next Council meeting.

7.20 In accordance with Section 31 of the Accountants Act 1996, the National Council shall manage and superintend the affairs of the Institute and for such purposes shall exercise absolute and exclusive powers in respect of the following:

(a) the receipt, control and disposition of the moneys and other property of the Institute, including all prescribed subscriptions, fees and other amounts payable to the Institute;

(b) the investment of any moneys received by or on behalf of the Institute;

(c) the appointment, removal or retirement of the Executive Director, agents and other officers and employees of the Institute and the remuneration of such persons;

(d) the appointment of solicitors to act for the Institute;

(e) the appointment of trustees to hold in trusts for the Institute any property of the Institute;

(f) the institution of legal proceedings in respect of any matter concerning the affairs of the Institute, and the prosecution, defence, compounding or abandoning of any legal proceedings instituted by or against the Institute or against any of its office bearers, officers or employees;

(g) the appointment of bankers to the Institute, including bankers in the several branches for the moneys received by the Branch Councils on behalf of the Institute;

(h) the promotion of improvements in the laws of Papua New Guinea thereof directly or indirectly affecting the profession of accountancy and the participation in public movements with a view of securing improvements in such laws.

7.21

(a) The National Council may, at any time and from time to time appoint any person to be the attorney of the National Council appoint for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the National Council under the Accountants Act 1996) and for such period and subject to such conditions as the National Council may from time to time think fit and the power of attorney may contain such provisions for the protection or convenience of persons dealing with the attorney as the National Council thinks fit.

(b) Any such attorney may be authorised by the National Council to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him.

(c) The National Council may, from time to time, raise or borrow an moneys required for the purposes of the Institute and secure the repayment of the same by any means it thinks fit.

(d) The National Council may pay the expenses incurred by National Councillors or other persons (whether or not members of the Institute) in attending meetings of the National Council or of any committee or sub committee thereof The National Council may also pay out of the funds of the Institute the expenses reasonably and properly incurred by the President or Vice-President or any other National Councillor, or the Executive Director when acting in their official capacity for and on behalf of the Institute and may determine and pay the amount of any Presidential or other allowance.

SECTION 8 - BRANCH COUNCILS

8.1

(a) In addition to the National Council, branch councils may be formed by resolution of the National Council.

(b) Each Branch Council shall have such powers and duties as are prescribed by the Rules or as may be prescribed from time to time by the National Council.

(c) The election procedures for the election of Branch Councillors shall be the same as for National Councillors as prescribed in Rule 7.1.

8.2 Subject as hereinafter provided, the number of members required to form Branch Council shall be five - President, Vice President, Secretary, Treasurer II and one ordinary councillor, all of whom must be Fellows or Associates of the Institute. The office bearers and Councillors of branches must be Fellows or Associates at all times.

8.3 Branch Councils may from time to time by special resolution recommend to the National Council that the number of Branch Councillors in that Branch be increased or reduced and in such case the National Council may by special resolution so increase or reduce such number provided that the number of Branch Councillors in any Branch shall not be less than three or more than ten. Accounting Technicians, Registered Graduates and Registered Students are not eligible to be elected to Branch Councils.

8.4 No member shall be eligible to be elected or appointed a Branch Councillor whilst he is in arrears for more than three months in payment of any subscription, fee or other amount payable by him to the Institute.

8.5 At each ordinary general Branch meeting all of the Branch Councillors for that branch shall retire from office, but the retiring Councillors shall be eligible for re-election. A retiring Councillor shall hold office until the dissolution of the meeting at which his successor is appointed.

8.6 Every retiring Branch Councillor shall be deemed to be nominated for re-election unless he has given notice in writing to the Branch President two months immediately preceding the meeting that he does not desire to offer himself for re-election or unless, at the time nominations close, he is in arrears for more than three months in payment of any subscription, fee or other amount payable by him to the Institute.

8.7 At each ordinary general Branch meeting eligible members shall be elected to fill all vacancies on the Branch Council occurring in terms of the Rules.

8.8 At each Branch annual general meeting, each Branch Council shall elect the following office bearers for the ensuing year, namely a President, Vice President, Secretary and Treasurer and up to six councillors.

8.9

(a) An annual general meeting of Branches must be held at least one month before the annual general meeting of the Institute. An audited Income and Expenditure Account and Balance Sheet must be presented at each Annual General Meeting. After ratification at the Annual General Meeting they must be sent to the National Office for incorporation into the Annual Accounts of the Institute.

(b) Other general meetings may be held as determined by the Branch Council from time to time.

(c) Branch Council meetings must be held at least four times a year.

8.10 Subject to the provisions of the Accountants Act 1996 and these Rules, and subject to the control and regulation of the National Council, the Branch Councils shall have the management and superintendence of the affairs of the Institute in their respective Branches and for such purposes shall have power:

(a) to receive on behalf of the National Council all fees, subscriptions and other amounts paid by applicants for admission or for certificates of membership or public practice or for examinations and, if so requested by the National Council, to receive on behalf of the National Council all fees, subscriptions and other amounts payable to the Institute by Branch members of that Branch and to apply such moneys in such manner as may be prescribed by these Rules and authorised by the National Council;

(b) to give receipts, releases and other discharges on behalf of the Institute for all moneys and for, and in respect of, any claims and demands respecting the affairs of the Institute in the Branch;

(c) with the approval of the National Council, to lease any buildings or offices within the area for which the Branch is responsible;

(d) with the approval of the National Council, to purchase, hire or otherwise acquire any furniture, fittings, books, newspapers, documents or other personal property;

(e) to appoint officers, employees and agents as it may think fit at such remuneration as the National Council may approve, and may at any time suspend or dismiss those persons;

(f) to appoint, from time to time, solicitors to act for the Branch Council with the approval of the National Council;

(g) with the approval of the National Council, to establish scholarships, bursaries, grants, prizes and benefactions and to subsidise any society or

body for the promotion of the study of professional matters connected with accountancy;

(h) to hold and conduct classes, lectures and debates on subjects of interest to its Branch members or employees of those members;

(i) to determine all matters referred to it by the National Council;

(j) to determine who shall be entitled to sign on behalf of the Branch Council receipts, releases, contracts and other documents

(k) to promote improvements in the laws of Papua New Guinea directly or indirectly affecting the profession of accountancy at Branch level and to take part in public movements with a view to securing improvements in such laws; and

(l) with the approval of the National Council to do all such other acts, matters and things as are, or may appear to the Branch Council to be, incidental or conducive to the attainment of the above objects or any of them or any objects of like or similar nature.

8.11

(a) Subject to the provisions of the Accountants Act 1 996 and these Rules, Branch Councils may appoint committees (including branch committees), which may include persons other than Branch Councillors or members of the Institute and may:

(i) receive recommendations from such committees; *(ii)* lay down rules for regulating the proceedings of such committees.

(b) By virtue of their offices, the President and Vice-President of Branch Council shall be members of all committees appointed by that Branch Council.

(c) The quorum of such committees shall not be less than one half of the members of the committee.

8.12 The Rules in Section 7 shall mutatis mutandis apply to meetings of a Branch Council except where otherwise provided in this Section and references therein to National Council, National Councillors, office bearers, officers and offices shall be taken to refer to a Branch Council, Branch Councillors and office bearers, officers and offices of a Branch, as the case may require, and where duties are prescribed for the President or Vice-President of the National Council, equivalent duties shall be performed by their counterparts in branches.

8.13 The various general provisions in Section 7 regarding voting, eligibility for membership, continuity, conduct of elections, vacancies, alternates and disqualification also apply to the Institute affairs of Branches.

SECTION 9 - ADMINISTRATION

9.1 The Executive Director shall have the powers and duties prescribed by the National Council and, with the approval of the National Council or the Executive Committee, may from time to time or at any time delegate all or any of such powers and duties to such person or persons and in such manner as may be so approved.

9.2 The office of the Institute shall be at such place in Papua New Guinea as the National Council may from time to time determine.

9.3

(a) Each Branch office shall be at such place in that area for which the Branch is responsible as the National Council may from time to time determine.

(b) A Branch office may be in the same place as the office of the Institute and the Executive Director and other salaried officers of the Institute may be appointed to fill similar offices under Branch Council.

9.4

(a) The National Council and each Branch respectively shall cause minutes to be kept for the purpose of recording the proceedings air their meetings and at the meetings of the committees and sub committees thereof respectively and at all meetings of members of the Institute and Branch meetings and the names of those present at such meetings respectively.

(b) The minutes of any meeting signed by the chairman thereof or by the chairman of the succeeding meeting shall be prima facie evidence of the transactions recorded in such minutes.

(c) A Branch Councillor of each Branch shall, after every meeting of the Branch Council or of any committee or sub-committee thereof, send to the National Office copies of the minutes of such meetings when the chairman thereof has approved them

9.5

(a) A Register of Members shall be maintained under the control of the Executive Director and the information pertaining to areas for which Branches are responsible shall be provided to the relevant branches as and when required.

(b) There shall be entered in the Register of Members for each member, their name, address, class of membership, employer, contact address, and, in the case of members with voting entitlements, and their membership number.

(c) Such other particulars shall be entered in the said Registers as the National Council may from time to time prescribe.

9.6 The registered address of a member to be entered in the Register of Members shall be the member's place or principal place of business for the time being or, if a member has no place of business, his place of residence for the time being or such other place as the member may advise.

9.7 Every member of the Institute shall forthwith notify the National Office of any change required to be made in their registered address for the purpose of the preceding Rule.

9.8 The National Council may, if satisfied that any particulars appearing on any Register of Member are incorrect, order their removal and may order that the Register of Members be rectified by making such further or other entries as it deems necessary.

9.9 Branches shall send to the National Office particulars of all information furnished to them by Branch members, which is relevant for inclusion in the Register of Members.

9.10 Subject to the powers of the National Council under Rule 9.5, the Register of Members shall be conclusive evidence of the particulars entered therein.

9.11 The Register may be closed for a period not exceeding seven days immediately preceding the commencement of the period prescribed for service of notice of meetings of members of the Institute or of Branch members or the dispatch of voting papers and only those members whose names are entered in the relative Register of Members at the time of such closing shall be entitled to be served with notice of meetings.

9.12

(a) Any notice required to be given by any of the Rules and any voting paper may be served upon any member or person either personally or by sending it by post, telex or facsimile transmission to him at his address as shown in the Institute Register of Members or other known address. Where a notice or voting paper is sent by post, service shall be deemed to be effected by properly addressing, prepaying and depositing a letter containing the notice or voting paper, and to have been made on the day after the date of its posting. Where a notice or voting paper is sent by telex or facsimile transmission, service shall be deemed to be effected by properly addressing and transmitting the telex or facsimile transmission and to have been made, in the case of a facsimile transmission, on the day following its dispatch and, in the case of a telex transmission, on the day following receipt by the sender of the answer back of the addressee.

(b) The non-receipt of such notice of voting paper shall not invalidate the proceedings of any meeting held in pursuance of such notice or in respect of which such voting paper was to be used.

(c) Where a given number of days notice or notice extending over any other period is required to be given, the day of service shall, unless it is otherwise provided, be counted in such number of days or other period.

9.13

(a) The National Council may in each year publish or cause to be published at the expense of the Institute or otherwise a list of the members of the Institute together with such other particulars in respect of the Institute or its objects as it deems advisable

(b) In such list members may be distinguished in such ways as the National Council sees fit.

(c) Such list shall be supplied to members and others at such prices or gratuitously as the National Council shall from time to time determine.

9.14

(a) All moneys received on account of the Institute by the National Council shall be paid forthwith into the branch appointed by the National Council to the credit of the account of the Institute; and

(b) All moneys received by Branch Council shall be paid forthwith into the bank appointed for that Branch to the credit of the account of the Institute.

9.15 The National Council shall cause proper books and records to be kept of the moneys received and expended and accounts showing details of income and expenditure and of the Institute's assets and liabilities.

9.16 The accounts of the Institute shall, until otherwise determined by the National Council, be closed annually as at 30 September.

9.17 The National Council shall cause an income and expenditure account for each financial period of the Institute and a balance sheet as at the end of each such period to be audited by the auditor of the Institute not less than twenty-eight days before each ordinary general Institute meeting.

9.18 A copy of the Institute's income and expenditure account and balance sheet and of the auditor's report shall be posted to each member of the Institute not less than fourteen days before the ordinary general Institute meeting.

9.19 An auditor shall be elected as the auditor of the Institute by the members at the ordinary general Institute meeting of members of the Institute.

9.20 The auditor shall retire from office at the next ordinary general meeting after his appointment but shall be eligible for re-election and shall be deemed to have given the necessary notice unless he has signified in writing his desired not to be re-elected.

9.21 The auditor shall be a member of the Institute but no National Councillor or Branch Councillor shall be eligible for election to the office of auditor.

9.22 In the event of the auditor being incapable of, or disqualified from, acting or, in the case of an extraordinary vacancy by death, resignation or otherwise, the National Council shall appoint another auditor to fill the office until the next ordinary general meeting.

9.23

(a) Every National Councillor and every Branch Councillor, the Executive Director and other officers of the Institute, whether appointed by the National Council or any Branch Council, shall be indemnified by the Institute against, and it shall be the duty of the National Council to pay out of the funds of the Institute vested in or under its control, all costs, losses and expenses which any such Councillor, Executive and other officers incur or become liable to by reason of any contract entered into or act or deed done by him in discharge of his duties, except in so far as the same shall happen from their own respective willful default;

(b) No such Councillor, Executive Director and other officers shall be liable for the acts of any other Councillor or officers or for joining in any receipt or document or for any act of conformity or for any loss or expense happening to the Institute unless the same happens from his own willful default.

9.24

(a) All acts done in good faith by any meeting of the National Council or by a committee thereof shall, notwithstanding that it be afterwards discovered that there was some irregularity in the appointment of any National Councillor or of the committee or that such person was ineligible for appointment, be as valid as if that person had been duly appointed to be a National councillor or member of the committee and was eligible for appointment.

(b) The provisions of this Rule extend to Branch Councils and to committees of Branch Councils.

SECTION 10 - CONTINUING PROFESSIONAL EDUCATION (C.P.E)

10.1 Fellow members, Associate members and Accounting Technicians are required to undertake a minimum of 40 hours of continuing professional education in each year. Included in these activities must be 20 hours of structured C.P.E. The balance of the minimum period of 40 hours may be devoted to unstructured C.P.E.

Registered Graduates are encouraged to undertake C.P.E.

10.2 Structured C.P.E. includes all C.P.E courses and conferences offered by the Institute and other courses prescribed by the Institute from time to time. The passing of the professional module examinations offered by the Institute earns a credit of 14 hours for each module passed.

10.3 Structured C.P.E in house courses conducted by practice entities or business organisations must be approved by the Council of the Institute to receive credit by members.

10.4 Unstructured C.P.E. hours include a wide range of activities but must be relevant to the member's practice or occupation including the reading of: technical literature (such as professional journals, information and study group discussions).

10.5 Subject matter considered relevant to both structured and unstructured C.P.E are as follows:

- (a) Accounting,
- (b) Administrative Practice,
- (c) Auditing,
- (d) Behavioural Science,
- (e) Business Law
- (f) Computer Services,
- (g) Corporate Advisory Services,
- (h) Economics,
- (i) Functional fields of business (including finance, production, marketing, personnel relations, business management and organisation),
- (j) Insolvency,
- (k) Management Services,
- (l) Mergers, acquisitions and reconstructions,
- (m) Public Offerings,
- (n) Revenue Law
- (o) Taxation Administration, and
- (p) Statistics & Business Mathematics.

10.6 Activities acceptable to the Institute as Structured C.P.E. hours are as follows:

(a) formal individual study of whatever duration at postgraduate level provided by distance education, correspondence, programmed learning, audio/visual tapes/courses.

(b) the preparation and presentation of lectures, courses and discussion group papers of a technical nature at Papua New Guinea Institute of Accountants, other professional, educational or industrial functions, (whether of a public nature or in-house), not exceeding three hours and not including repeat presentations.

(c) the writing of articles and papers, which are submitted for publication.

(d) formal business luncheons with a keynote address, including any question time not exceeding one hour.

10.7 Members are required to keep a personal record of the time spent on C.P.E. and complete the C.P.E. Record of attendance form and send it to the Institute National Office with their renewal of membership cheque each year.

EXEMPTIONS FROM C.P.E.

10.8 Any member obliged to undertake C.P.E who seeks exemption from the obligation to devote a minimum period of 20 hours to Structured C.P.E activities in each year (hereinafter "exemption") must make written application for exemption to the Council of the Institute stating the grounds of their application and any special circumstances upon which they rely.

10.9 The Council may grant exemption if it considers it reasonable to do so in the light of any special circumstances contained in the application and shall notify the member of the decision.

10.10 Notwithstanding anything contained herein to the contrary, the Council may grant, on such terms and conditions as it thinks fit, a total or partial exemption from the provisions of C.P.E to any member who, in an application for an exemption, sets out special circumstances that in the opinion of the Council warrants such an exemption.

10.11 Exemption, once granted, will remain in force unless and until the special circumstances on which it was granted cease to exist.

10.12 Members obliged to undertake C.P.E include amongst others, those members who are in practice, and those members who are overseas.

10.13 The following are examples of factors that would be relevant to the question whether special circumstances existed justifying the granting of exemption under this Section.

(a) working in a remote location where no facilities exist for Structured C.P.E,

(b) physical disability being such that a person would be unable to engage in Structured C.P.E activities, or that it would be unreasonable to require the person to do so, or

(c) the person's occupation being such that it does not include the provision of accounting services or advice or require the application of skills of an accountancy nature.

SECTION 11 - CLIENTS' MONIES

11.1 The keeping of client monies in a trust account or trust accounts must be kept in accordance with the current relevant Papua New Guinea legislation. Client monies include documents of title to money e.g. bills of exchange, Client notes, and documents of title which can be converted into money promissory bonds received by a public accountant (as defined in the Accountants Act 1996) to be held or paid out on the instruction of the person from whom or whose behalf they are received.

11.2 A professional accountant in public practice entrusted with monies belonging to others shall:

- (a) keep such monies separately from personal or firm monies,
- (b) use such monies only for the purpose for which they are intended, and
- (c) at all times, be ready to account for those monies to any person entitled to such accounting,
- (d) shall not hold clients' monies if there is reason to believe that they were obtained from, or are to be used for, illegal activities.

11.3 A professional accountant in public practice shall maintain one or more bank accounts for clients' monies. Such bank accounts may include a general client account into which the monies of a number of clients may be paid.

11.4 Clients' monies received by a professional accountant in public practice shall be deposited without delay to the credit of a client account, or, if in the form of documents of title to money and documents of title, which can be converted into money, to safeguard against authorized use.

11.5 Monies may only be drawn from the client account on the instructions of the client.

11.6 Fees due from a client may be drawn from the client's monies provided the client, after being notified of the amount of such fees, has agreed in writing to such withdrawal.

11.7 Payments from a client account shall not exceed the balance standing to the credit of the client.

11.8 When it seems likely that the client's monies will remain on client account for a significant period of time, the professional accountant in public practice - shall, with the concurrence of the client, place such monies in an interest bearing account within a reasonable time.

11.9 All interest earned on a client's monies shall be credited to the client account.;

11.10 Professional accountants in public practice shall keep such books of account as will enable them, at any time, to establish clearly their dealings with clients' monies in general and the monies of each individual client in particular. A statement of account shall be provided to the client at least once a year.

SECTION 12 - CODE OF ETHICS

12.1 The Council of the Institute shall prescribe a Code of Ethics for all categories of members (except for Registered Accountancy Students).

12.2 The Code of Ethics may be amended from time to time as the Council sees fit.

12.3

(a) Any breach of the Code of Ethics shall be referred to the Membership, Ethics and Discipline Committee of the Institute, which will make a recommendation on the matter to the Council of the Institute.

(b) In the event of a serious breach of the Code of Ethics, the matter may be referred by the Institute National Council to the Accountants Statutory Committee under the Accountants Act.