

THE UNITED REPUBLIC OF TANZANIA



No. 2 OF 1995

*W. M. Mwanza* I ASSENT,  
.....  
25/4/95 President  
.....

**An Act to amend the Auditors and Accountants (Registration) Act**

[ ..... ]

**ENACTED by the Parliament of the United Republic of Tanzania**

1. This Act may be cited as the **Short Title**  
Auditors and Accountants (Registration)  
(Amendment) Act, 1995 and shall be read  
as one with the Auditors and Accountants  
(Registration) Act, 1972 in this Act  
referred to as "the principal Act".

2. The principal Act is amended in **Amendment**  
section 2- **of**  
(a) in the definition **Section 2**

"authorized auditor"-

(i) by deleting that  
definition and  
substituting for it  
the following  
definition-

"Certified Public  
Accountant in Public  
Practice" means a

person registered as a  
**Certified Public  
Accountant in Public  
Practice;**

(ii) by inserting that  
definition in an  
**a p p r o p r i a t e**  
alphabetical order;  
and

(iii) by deleting the words  
**authorized auditor"**  
wherever they appear in this  
Act and substituting for  
them the words "**Certified  
Public Accountant in Public  
Practice.**"

(b) **in the definition**  
"authorized accountant"-

(i) by deleting that  
**definition** and  
substituting for it  
the following  
definition-

**"Certified Public**

Accountant" means a person registered as a **Certified Public Accountant**;

- (ii) by inserting that definition in an **appropriate** alphabetical order;
  - (iii) by deleting the words **l l a u t h o r i z e d** accountant" wherever they appear in this Act and substituting for them the words **"Certified Public Accountant"**;
- (c) by deleting the following-
- (i) "approved accountant" and "Registrar" from the definition section and the words **. approved accountant" and "Registrar"** wherever they appear in this Act;

- (ii) "register", and
- (d) by adding the following definitions in their proper alphabetical order in this section-

"Accounting Technician" means a person registered by the Board as such and having met the conditions stipulated for that registration";

"Assets" includes property or right owned by a business entity that has money values whether it be tangible or intangible movable or immovable property;

"Annual Gross Turnover or Gross Revenue" means the volume of business transacted by a business entity or organization in a year measured in sales or revenue;

"Executive Director" means the Chief Executive of the Board appointed under section 6;

"Graduate Accountant" means a person who has successfully completed the professional examination as recognized by the Board but lacks the working experience to qualify for registration as Certified Public Accountant;

"firm" means a body of registered Certified Public Accountant carrying on business for fee, reward or other monetary consideration in the United Republic whether incorporated or unincorporated;

"Minister" means the Minister for the time being responsible for the accountancy profession; and deleting the definition for "register", and

- (e) by deleting the definition for "II register" and redefining that word as follows and putting it in its proper alphabetical order in this section-

"register" means the Register of Certified Public Accountants in Public Practice<sup>II</sup>, the "Register of Certified Public Accountants " , the " Register of Graduate Accountants", the "Register of Accounting Technicians, " the Register of Practicing Firms" or any other register as the case may be, maintained by the Board in accordance with the provisions of this Act;

Amendment  
of  
section 4

3. The principal Act is amended in section 4-

(a) in paragraph ((-),-

(i) by deleting the words "and auditing" which appear at the end of that paragraph and substituting for them **the following-** "auditing and allied subjects".

- (b) by deleting paragraph (e) to **(g)** and by adding the following new paragraphs-
- (e) **to stipulate**  
accountancy or  
auditing standards and  
guidelines as  
appropriate and to  
ensure the compliance  
of the standards and  
guidelines by the  
subjects;
- (f) to maintain register  
of Certified Public  
Accountant in Public  
Practice, Certified  
Public Accountants,  
Graduate Accountants  
Accounting Technicians  
and practicing firms;
- (g) to consider and decide  
upon applications for  
registration A to  
effect registration of  
**Practicing**  
accountants,

- Accountants,**  
Accounting Technician  
and practising firms;
- (h) to regulate the  
activities and conduct  
**Accounts Public**  
Accountants in Public  
Practice, Certified  
Public Accountants,  
Graduate Accountants  
Accounting Technicians  
and practising f firms;
- (i) to evaluate foreign  
a r, (% o u n t a n c y  
qualifications for  
exemption from parts  
of the Board's  
examination;
- (j) to formulate the  
appropriate National  
Accountancy Scheme and  
syllabi and oversee  
that Accountancy  
syllabi in training  
**institutions**  
throughout the country  
are in accordance with

t h e   N a t i o n a l  
Accountancy Scheme and  
syllabi;

(k) to evaluate internal.  
**institutional**  
**accountancy**  
qualifications for  
exemption from parts  
of the Board's  
examination; and

(l) to carry out such  
other functions after  
consultation with the  
Minister."

Amendment  
is amende-  
of  
section 7

4. Section 7 of the principal Act

(a) in subsection (l) by  
deleting the opening  
paragraph to that subsection  
and substituting for it the  
following-

"7(1) The Executive  
Director shall keep and  
maintain a Register of

Certified Public Accountants  
in Public practice,  
Certified Public  
Accounts and Accounting  
Technician in which the  
name of every person  
entitled to have this name  
entered in that Register as  
a Certified Public  
Account in Public  
practice, Certified Public  
Account, Graduate  
Accountant Accounting  
Technician, as the case soon  
as is practicable after  
being accepted by the Board  
for registration, showing  
against his name the  
following particulars";

(b) by adding immediately after  
subsection (2) the following  
new subsections-

"(3) Any person who does not  
qualify for registration  
under subsection (1) of this  
section but who is an  
accounting or auditing

personnel who has not completed relevant studies to-qualify for registration, shall have a title in accordance with the prescription of -titles as shall be issued by 'We Executive W., Motor from time to time.

(4) The Executive Director shall keep and maintain a register of firms in which every practising firm of Certified Public Accountants in Public Practice or Certified Public Accountants shall register their firms and the register shall contain-

- (a) names of the partners, members or associates of the firm;
- (b) qualifications of such Partners, members or associates;

- (0) the address of the registered office Where SPY carry on business;
- (d) registration number under the companies Ordinance or Business Names (Registration) Ordinance if applicable; and
- (e) the classification in which each of the partners, members or associates of the firm are registered under this Act. "

Amendment  
of  
section 8

5 Section 8 of the principal Act is amended-

- (a) by deleting subsection (1) and (21) and substituting for them the following new subsections-

"8(1) The Executive Director shall cause to be published in the Gazette, as soon as may be practicable after registration, the name address and qualifications of each Certified Public Accountant in Practice, Certified Public Accountant, Graduate Accountant, Accounting Technician and Practicing firm and subject to the directions of the Board, may cause to be, so published any amendment to or deletion from the register.

8(2) The Executive Director shall cause to be published in the, Gazette, as soon as conveniently may be after the first day of January in each year, a list containing the names, addresses and qualifications of all registered Certified Public Accountants in Public Practice, Certified Public

Accountants, Graduate Accountants, Accounting Technicians, remaining on the register at, the close of the previous year together with the list of practising firms. "

Amendment  
of  
section 10

6. Section 10 of toe  
the Principal Act is  
amended-

(a) to, deleting subsection  
(2) and substituting  
for it the following-

"(2) Notwithstanding  
the provisions of  
paragraph (a) and (b)  
of subsection (1), the  
Board may-

(a) **require** any  
person to whom  
**either of the**  
said paragraphs  
applies to pass  
**such**  
examination as  
the Board may  
prescribe; or

(b) specify a time required for **practical** experience to be gained by a person to whom **either of the paragraphs** applies before such person is entitled to be registered.

(b) by deleting subsection (3) and substituting for it the following-

"(3) The Board shall require an applicant **f o r** **registration** under **this** section to satisfy it that **h i s** **professional** and **general** conduct has

been such as,  
in the opinion  
of the Board,  
to value him a  
fit and proper  
person to be  
registered as  
either a  
Certified  
Public  
Accountant, in  
Public  
Practice,  
Certified  
Public  
Accountant,  
Graduate  
Accountant or  
Accounting  
Technician.

- (4) The Board shall  
require an  
applicant for  
registration  
under this  
section to  
satisfy that  
his

professional and general conduct has been such as, in the opinion of the Board, to make him a fit and proper person to be registered as **either** a Certified Public Accountant in **P u b l i c** Practice, a Certified **P u b l i c** Accountant, a Graduate Accountant, an Accounting Technician or a **practising** firm-

"Addition of  
Sections  
10A,  
10B,  
10C,  
10D,

7,. The principal Act,  
is amended by adding  
immediately after new  
subsection (4) of  
10, the following new  
sections-

Qualifications for  
registration of  
Certified Public  
Accountants in  
Public Practice

10(A) Subject to the other  
provision of this Act, a  
person shall be entitled  
on making an application to  
the Board and in the  
prescribed manner and on  
payment to the Board, of the  
prescribed fee, to be  
registered under this Act and  
to have his name entered in  
Not Register of Certified  
Public Accountants in public  
Practice upon being, issued  
with a Certificate of  
Practice by the Board.

Qualifications  
for registration  
Certified.  
Public  
Accountant,

100) Subject to the other  
provisions of this Act, a  
person shall be entitled  
on making an application to  
the Board, in the prescribed  
manner and on payment to the

Board of the prescribed fee, to be registered under this Act and to have his name entered in the Register of Certified Public Accountants.

Qualification for registration of Graduate Accountant

10(c) Subject to the provision of this Act, a person shall be entitled on making an application to the Board, in the prescribed manner and on payment to the Board of the prescribed fee, to be registered under this Act and to have, his name entered in the Register of Graduate Accountants upon successfully completing the, Certified Public Accounting Examination or its equivalent but lacks the relevant practical experience for registration as a Certified Public Accountant, as may be prescribed by the Board.

Qualifications for  
registration of  
Accounting Technicians

10(D) subject to the provisions of this section a person shall be entitled on making &an application to the **Board**, in the prescribed manner and on payment to the Board of the prescribed fee to be registered under this Act and to have his name entered in the Register of Accounting Technicians:-

- (a) a member of an **Institute of Accounting Technicians**, the membership of which is recognized for the time being by the Board as furnishing a sufficient guarantee of academic knowledge and relevant practical **experience** in Accounting;
- (b) a person who is a holder of the Board's Accounting Technician

Certificate (ATEC) or its equivalent as recognized for the time being by the Board as qualifying for registration as an Accounting Technician.

Repeal of section 12

8. Section 12 of the, Principal Act is hereby repealed.

Amendment of section 13

9. The Principal Act is amended in subsection (1) of section 13 by deleting the opening paragraph of that subsection and substituting for it the following-

"13(l) The Board may at any time direct that the name of a Certified Public Accountant in Public Practice, a Certified Public Accountant, Graduate Accountant, an Accounting Technician or Practising Firm ID deleted from the classification where such person or firm has-

Addition of 12A 13B

10. The principal Act is amended by adding immediately after subsection (5) Of Section 13 the following new section-

Issuance of,  
and procedure  
to. obtain  
'Certificate  
of practice"

13A Notwithstanding the other provisions of this Act, no person shall, whether incorporated or unincorporated practise as an accountant or auditor unless he applies and obtains a Certificate of Practice from the Board.

"Issuance of  
and procedure  
to obtain,  
certificate  
clearance

13B No firm other than a firm Issued with a clearance shall carry on business as Auditors or Accountants whether corporate or incorporate.

(2) The Executive Director shall issue a certificate of clearance to a firm that applies for that certificate after ascertaining-

(a) the registration status of the members or partners of that firm;

(b) the manpower capabilities of the firm;

(0) the classification in which the members or partners firm are registered.

(3) The Certificate of Clearance issued under subsection (2) of this section shall state the classification Of the registration of members and partners of the firm.

(2) Where, a person under subsection (1) of this section applies in 8. prescribed for a Certificate Of practice and after paying a prescribed fee, the Board may issue a Certificate of practice to that person.

Amendment  
of  
Section 14

11. Section 14 of the principal Act is amended by of adding the word "firm" immediately after the word "Person" wherever the latter appears in this section.

Amendment  
of  
section 15

12. Section 15 of the principal  
Act is amended-

- (a) by deleting the opening paragraph  
and substituting for it the  
following-

" 15. If any Certified Public  
Accountant, in Public Practice,  
Certified Public Accountant,  
Graduate Accountant, Accounting  
Technician or firm is convicted of  
any offence against this Act or  
is, after due inquiry held by the  
Board, found to have been guilty  
of any act or omission amounting  
to improper, disgraceful or  
grossly, negligent professional  
conduct, the Board may-

- (b) in paragraph (e) of that  
section (1) by adding  
immediately before the full  
stop the words " and any  
Certificate of Practice or  
any other certificate issued  
to him by the Board under  
section 13A or 13B be  
returned to the Board for  
cancellation."

Amendment of Section 16

13. Section 16 of the, principal Act is amended- subsection (1) by-

- (a) adding the words "or firm" immediately after the word "It person" which appears in the second line before the word "whose", and
- (b) adding the words "or by a legal representative. of the firm" immediately after the word "Person I. which appears in the third line of that subsection between the words "to in" and "but".

Amendment of Section 17

14. Section 17 of the principal Act is amended by deleting the word "five" which appears in the last line of that section and substituting for it the words "two hundred".

Amendment of Section 18

15. Section 18 of the principal Act is amended in subsection (I)-

- (a) by adding the word "or firm" immediately after the word "It person" which appears in the first line of that subsection; and

(b) by adding immediately after paragraph (g) the, following new paragraphs-

"(h) to refuse -to enter the firm's name % the register of practising firms,

Q) to suspend the effect of registration of the firm in the register. "

Amendment  
of  
Section 19

16 Section 19 of the principal Act is amended in subsection (1) to, deleting paragraph (e) and substituting for it the following new paragraph (e)-

(e) a Certified Public Accountant in Public Practice in the employment of the Tanzania Audit Corporation, and nominated by the Director General of the Corporation."

Amendment  
of  
section 20 (a)

17. Section 20 of the principal Act is hereby amended-  
by adding the marginal note as follows-

"Use of certain Styles and Titles"; and

(b) by deleting paragraph (c) and substituting for it the following-

"(C) in the case of a person whose name has been entered on the Register of "Graduate Accountant";

(c) by adding new paragraph (d) as follows-

"(d) in the ease of a person whose name has been entered on *the*, Register of Accounting Technicians,

Accounting Technician".

Amendment  
of  
Section 21

18. Section 21 of the principal Act is repealed and replaced by the following-

"Offences  
relating to  
use of styles  
and titles

21 Any person who-

(a) not being a Certified Public Accountant in **P u b l i c** Practice, or a

---

**Certified  
P u b I i c  
Accountant,  
G r a d u a t e  
Accountant or  
an Accounting  
Technician  
f a l s e l y  
pretends to be  
such; or**

- (b) not being a person entitled to use any style or title referred to in section 20, uses such style or title or uses any other name, style, t i t l e or description, i m p l y i n g , whether in itself or in t h e circumstances in which it is

used, that such person is entitled to use such style or title;

- (C) not being a Certified Public Accountant in Public Practice, holds himself out, whether directly or by implication, to be- a Certified Public Accountant in Public Practice;
- (d) not being a Certified Public Accountant in Public Practice Or a Certified Public Accountant,

holds himself  
out I whether  
directly or by  
implication, to  
be a Certified  
**P u b l i c**  
Accountant in  
**P u b l i c**  
Practice;

- (e) not being a  
**Certified**  
**P u b l i c**  
Accountant in  
**P u b l i c**  
**Practice,**  
**Certified**  
**P u b l i c**  
Accountant or  
**Graduate**  
**Accountant**  
holds himself  
out, whether  
**Directly** or by  
**Implication,** to  
be a Graduate  
Accountant;

- (f) **b e i n g** a **G r a d u a t e** Accountant or an Accountant **T e c h n i c i a n** holds himself out whether directly or by implication to be, a Certified **P u b l i c** Accountant in Public Practice or a Certified **P u b l i c** Accountant;
  
- (g) not being a firm issued **w i t h** a Certificate of clearance holds himself out **w h e t h e r** directly or by implication as **h a v i n g** a certificate of clearance;-

- (h) not having at least one member or partner as a registered Certified Public Accountant in Public Practice or Certified Public Accountant, shall be, guilty of an offence and shall be liable on conviction to a fine not exceeding six hundred thousand shillings or to imprisonment for a term not exceeding two years or to both such fine and imprisonment . "

1.9. Section 22 of the principal Act is amended- Amendment  
of  
section 22

- (a) by deleting the marginal note and substituting that marginal note with the following-

"Restriction on  
practice as  
**Certified  
P u b l i c**  
Accountant in  
Public Practice  
or Certified  
**P u b l i c**  
Accountant " ;

- (b) in subsection (6) by deleting the word "fifty" which appears in the fourth line of that subsection and substituting for it the words "seven hundred fifty] and
- (e) by deleting subsection (7)".

Amendment 20. Section 23 of the principal Act is

of hereby amended

Section 23 (a) by deleting subsection (2) was substituting for it the- following-

" (2) No person shall employ or continue. to employ as an accountant any person who is not-

(a) a Certified Public Accountant, or

(b) a Graduate Accountant" ;

(b) by deleting Subsection (3) and (4) and substituting for them the following-

"(3) No person shall take UP or continue in any employment, as an auditor unless he is a Certified Public Accountant in Public practice;

(4) No person shall take, up or continue in any

employment as an Accountant unless the, is a Certified Public Accountant, or Graduate Accountant . "

- (C) by adding new subsection (5) immediately after subsection (4) as follows-

(5) No person shall take or Continue in any employment as an Accounting Technician unless *hoe* is an Accounting Technician;

- (e) in section 23 by renumbering subsection (5) as (6) and (6) as (7); and

- (f) in subsection (6) as renumbered, by deleting the words "exceeding twenty" which appear in the third line of that paragraph and substituting for them the, words "less than

two hundred thousand  
shillings but not  
exceeding six  
hundred,"

Amendment  
of  
section 24

21. Section 24 of the principal Act  
is amended-

(a) in subsection (1) in  
paragraph (a) by deleting-

(i) the words "ten" *which*  
appears in the first  
line of that paragraph  
and substituting for  
**it the** words "one  
hundred";

(ii) in paragraph (b) by  
deleting the word  
"five" which appears  
**in the first line of**  
that paragraph and  
substituting for **it**  
the words "fifty";

(b) by inserting immediately  
after subsection (1) the  
following new subsection  
(2)-

without prejudice to the Provisions of subsection (1) of this section, every body of **Persons**, whether corporate or unincorporated, engaged in Tanzania in any **trade, business or Profession**, which has-

- (a) assets in Tanzania the value of which is less than one hundred million shillings; or
  - (b) an annual gross turnover in Tanzania **which is less than fifty thousand million shillings, shall keep Proper books of accounts"**;
- (b) in subsection (2) by deleting the word "fifty" Which appears on the last line of that subsection and **Substituting for it the words 1. six hundred"**.

Amendment  
of  
section 25

22. Section 25 of the principal  
Act is amended-

- (a) in paragraph (b) of subsection (2) by deleting the words "one hundred and fifty thousand" which appear in that paragraph and substituting for them the words " five million" †
- (b) in subsection (3) in the definition of-
  - (i) "a p p r o p r i a t e authority" by deleting the words "Income Tax Management Act" and substituting for those, words the words "Income Tax Act",
  - (ii) "income tax" by deleting the words "East African Income Tax Management Act" and substituting for them the words " Income Tax Act; and

- 
- (iii) " income " and " gross income" by deleting the words " Income Tax Management Act **and** substituting for them **the word** "Income Tax Act, ; and
- (iv) by deleting the **ma r g i n a l** note, "Community Laws cap. 24 **and substituting for it the marginal note** "Act No.:33 of 1973"-
- (c) in subsection (5) of that section by deleting the words "exceeding twenty" and substituting for them the words "**less than three hundred thousand shillings but not exceeding nine hundred.** " .

23. Section 26 of the principal Act Repeal  
is repealed of  
section 26

Repeals  
of  
section 27

24. Section 27 of the principal Act is hereby repealed.

Amendment  
of  
section 30

25. Section 30 of the principal Act is amended by adding immediately before the full stop of subsection (1) the following-

"or any other external auditor selected from among names of external auditors proposed by the Board".

Amendment  
of  
section 31

26. Section 31 of the principal Act is repealed and replaced by the following new section-

"Chairman's  
report

31. The Chairman shall, at the end of each financial year, prepare a report of the activities of the Board during that financial year and submit such report to the Minister."

Amendment  
of  
section 34

27. Section 34 of the principal Act is amended by-

(a) **deleting** the words "Registrar's report" in-

- 
- (i) (i) the marginal note; and  
(ii) Paragraph (b); and  
(iii) by substituting for those words, the words "Chairman's report".

28. Section 36 of the principal Act is amended- Amendment  
of  
section 36

- (a) by deleting paragraph (b) and substituting for it the following-

"(b) fraudulently procures or attempts to procure, whether for himself or any other person, registration as a Certified Public Accountant in Public Practice. Certified Public Accountant, Graduate Accountant or Accounting Technician;"

- (b) by deleting the words "twenty" which appears in the second line of the Paragraph and substituting for them finishing the words

"twenty" which appears in the second line of the paragraph and substituting for them the words "six hundred".

"Amendment of Section 38

29. Section 38 of the principal Act is amended-
- (a) in the opening paragraph of that section by inserting immediately after the word "may" which appears between the words "Minister" and "make" the following phrase-

"after consultation with the Board and by notice published in the Gazette";

- (b) by deleting paragraph (d) and
- (c) by renumbering paragraph (e) as (d).

Amendment of section 39

30. Section 39 of the principal Act is amended-

- (a) in subsection (1) by-

- (a) deleting paragraphs (j) to (n); and

(ii) **adding** immediately after paragraph (i) **the** following new paragraph-

"(j) **prescribing** rules, terms and conditions for registration;

(k) **prescribing** the fees to be- paid on application for registration, the issue of certificate of practice and for, extracts copies and lists of, or in relation to, entries in the register;

(l) **prescribing** classification within the

registers for  
**different**  
levels or types  
of  
qualifications  
and competence;

(M) prescribing the  
scale of fees  
which may be  
charged by  
accountants and  
auditors for  
s e r v i c e s  
rendered by,  
them;

(n) authorizing the  
**Executive**  
**Director** to  
arbitrate on  
any dispute as  
to fees charged  
b y a n y  
accountant;

(O) **Prescribing**  
**rules** and  
procedures for

exemption of  
part of the  
**B o a r d's**  
examination  
scheme;

- (P) prescribing  
anything which  
may or is  
required to be  
prescribed by  
the Board";
- (b) by deleting subsection  
(2); and
- (c) renumbering subsection  
(3) as (2) -

31. The Schedule to the principal  
Act is amended-

1(1) The Board shall consist of a  
Chairman who shall be appointed by  
the President.

(2) The Minister shall, after  
consultation with the, Board,  
appoint-

Composition  
of the Board  
Chairman and  
members' tenure  
of office

- (a) the Executive Director;
- (b) six other members;  
and no person shall be appointed unless he has knowledge and practical experience accountancy profession; and
- (c) five other members to be recommended by the association representative of all accountancy professionals."

(3) The Executive Director appointed under sub-paragraph (2) of this paragraph shall be an ex-officio member of the Board.

(4) The Chairman of the Board may, unless he resigns or his membership is otherwise terminated, hold office for a maximum of two consecutive terms of three years each term.

(5) A member of the, Board shall hold office for three years unless-

- (a) he resigns;
- (b) he otherwise vacates his office;
- (c) his appointment is revoked by the appointing authority; or
- (d) he fails to attend to three consecutive meetings without reasons to the satisfaction of the Board.

(6) The appointing authority may fill In any vacancy occurring in the membership, and may revoke the appointment, of any member, and appoint a replacement in accordance with sub Paragraph (2) of this paragraph.

(7) A member may resign by giving notice in writing in writing to the appointing authority of his intention to do so.

(8) In this paragraph appointing authority" means the Minister."

(b) in sub-paragraph (2) of paragraph 2, by deleting the words "two" which appears in the first line between the words "of" and "y e a r s" " and substituting for that word the word "three",

(c) in paragraph 4 by adding immediately after sub-paragraph (5) the, following new sub-paragraph-  
"(6) The Board shall appoint Committees as are necessary to conduct the, affairs of the Board."

Passed in the National Assembly on the 20th February, 1995.



Clerk of the National Assembly