



# THE CHARTERED ACCOUNTANT ORDINANCE, 1961



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**THE CHARTERED ACCOUNTANTS ORDINANCE, 1961**

ORDINANCE No. X OF 1961

*[10th March, 1961]*

**An Ordinance to make provision for the regulation of the profession of Accountants.**

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

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

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## CHAPTER I. — PRELIMINARY

**1. Short title, extend and commencement.**- (1) This Ordinance may be called the Chartered Accountants Ordinance, 1961.

(2) It extends to the whole of Pakistan <sup>1</sup>[and shall apply to all members, wherever they may be].

(3) It shall come into force on such date<sup>2</sup> [<sup>3</sup>[Federal Government] may, by notification in the official Gazette, appoint in this behalf.

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

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

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

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

<sup>4</sup>[(cc) “fellow” means a fellow member of the Institute];

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

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

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

(g) “registered accountant” means any person who has been enrolled on the Register of Accountants maintained by the <sup>3</sup>[Federal Government] under the Auditors' Certificates Rules, 1950;

<sup>4</sup>[(gg) “student” means a person who is or has been a trainee under a training contract with a member of the Institute entitled to train students under this Ordinance and the bye-laws made thereunder and has not successfully completed the examinations of the Institute ; and]

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

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<sup>1</sup>Added by the Chartered Accountant (Amdt.) Ordinance, 1983 (15 of 1983), s. 2.

<sup>2</sup>The 1st July, 1961, see Gaz. of P., 1961, Ext., p. 1025.

<sup>3</sup>Subs. by F.A.O., 1975, Art. 2 and Table, for “Central Government”.

<sup>4</sup>Ins. by Ord. 15 of 1983, s. 3.

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

- (i) engages himself in the practice of accountancy, or
- (ii) offers to perform or performs services involving the auditing, or verification of financial transactions, books, accounts, or records or the preparation, verification or certification of financial accounting and related statements or holds himself out to the public as an accountant; or
- (iii) renders professional services or assistance in or about matters of principle or detail relating to accounting procedure or the recording, presentation or certification of financial facts or data ; or
- (iv) renders such other services as, in the opinion of the Council, are or may be rendered by a chartered accountant in practice; and the words “to be in practice” with their grammatical variations and cognate expressions shall be construed accordingly.

*Explanation.* – An associate or a fellow the Institute who is salaried employee of a chartered accountant in practice or a firm of such chartered accountants shall, notwithstanding such employment, be deemed to be in practice for the limited purpose of the training of <sup>1</sup>[students].

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## CHAPTER II.—THE INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN.

**3. Incorporation of the Institute.**— (1) All persons whose names are entered in the Register at the commencement of this Ordinance and all persons who may hereafter have their names entered in the Register under the provisions of this Ordinance, so long as they continue to have their names borne on the said Register, are hereby constituted a body corporate by the name of the Institute of Chartered Accountants of Pakistan, and all such persons shall be known as members of the Institute.

(2) The Institute shall have perpetual succession and a common seal and shall have power to acquire, hold and dispose of property, both movable and immovable, and shall by its name sue and be sued.

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<sup>1</sup>Subs. by the Chartered Accountants (Amdt.) Ordinance, 1983 (15 of 1983), s. 3, for “articled clerks”.