



THE STATUTES OF THE REPUBLIC OF SINGAPORE

ACCOUNTANTS ACT

(CHAPTER 2)

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An Act relating to accountants.

[1st April 2004]

PART I
PRELIMINARY

Short title

1. This Act may be cited as the Accountants Act.

Interpretation

2. In this Act, unless the context otherwise requires —

“accounting corporation” means a company approved as an accounting corporation under section 17;

“accounting firm” means a firm approved as an accounting firm under section 18;

“accounting limited liability partnership” or “accounting LLP” means a limited liability partnership approved as an accounting limited liability partnership under section 18A;

[11/2006 wef 06/10/2006]

“Authority” means the Accounting and Corporate Regulatory Authority established under the Accounting and Corporate Regulatory Authority Act (Cap. 2A);

“Chairman” means the Chairman of the Oversight Committee;

“company” has the same meaning as in the Companies Act (Cap. 50);

“Complaints and Disciplinary Panel” means the Complaints and Disciplinary Panel appointed under section 39;

“Complaints Committee” means a Complaints Committee constituted under Part VI;

“corporate practitioner” —

(a) in relation to an accounting corporation, means a director or an employee of the corporation who is a public accountant and practising as such in that corporation; and

(b) in relation to an accounting LLP, means a partner or an employee of the accounting LLP who is a public accountant and practising as such in the accounting LLP;

[11/2006 wef 06/10/2006]

“costs and expenses”, in relation to any proceedings under Part VI, includes —

(a) the costs and expenses of any legal assessor and any advocate and solicitor appointed by the Oversight Committee for proceedings before a Complaints Committee or a Disciplinary Committee;

(b) such reasonable expenses as the Oversight Committee may pay to witnesses; and

(c) such reasonable expenses as are necessary for, or incidental to, the institution and conduct of proceedings before a Complaints Committee or a Disciplinary Committee;

“Disciplinary Committee” means a Disciplinary Committee constituted under Part VI;

“firm” means a sole proprietorship or partnership;

“lay person”, in relation to the Complaints and Disciplinary Panel, a Complaints Committee or a Disciplinary Committee, means an architect, a banker, an advocate and solicitor, a company director, an insurer, a professional engineer, a medical practitioner or a person who possesses such other

qualifications as may be approved by the Oversight Committee;

“limited liability partnership” has the same meaning given to it by section 4(1) of the Limited Liability Partnerships Act 2005 (Act 5 of 2005);

[11/2006 wef 06/10/2006]

“manager”, in relation to a limited liability partnership, has the same meaning as in section 2(1) of the Limited Liability Partnership Act 2005;

[11/2006 wef 06/10/2006]

“Oversight Committee” means the Public Accountants Oversight Committee appointed by the Authority under section 4;

“professional indemnity insurance” includes insurance indemnifying a public accountant, an accounting corporation, an accounting firm or an accounting LLP against liability to compensate a third party who has sustained financial loss or any other damage or injury due to a breach of professional duty or to any professional negligence on the part of such public accountant, accounting corporation, accounting firm or accounting LLP, as the case may be (including any such negligence by any director of such accounting corporation or any partner of such accounting LLP), or fraud or dishonesty;

[11/2006 wef 06/10/2006]

“public accountancy services” means the audit and reporting on financial statements and the doing of such other acts that are required by any written law to be done by a public accountant;

“public accountant” means a person who is registered or deemed to be registered in accordance with this Act as a public accountant;

“Register of Public Accountants” means the register kept and maintained under section 5(1)(a)(i);

“Register of Public Accounting Corporations” means the register kept and maintained under section 5(1)(a)(ii);

“Register of Public Accounting Firms” means the register kept and maintained under section 5(1)(a)(iii);

“Register of Public Accounting Limited Liability Partnerships” means the register kept and maintained under section 5(1)(a)(iv);

[11/2006 wef 06/10/2006]

“Registrar” means the Registrar of Public Accountants appointed by the Authority under section 7(1)(a) and includes a Deputy Registrar and an Assistant Registrar appointed under section 7(1)(b);

“relevant particulars”, in relation to a public accountant, an accounting corporation, an accounting firm or an accounting LLP, means such particulars of the public accountant, accounting corporation, accounting firm or accounting LLP as the Oversight Committee may determine to be relevant for inclusion in the Register of Public Accountants, the Register of Public Accounting Corporations, the Register of Public Accounting Firms or the Register of Public Accounting Limited Liability Partnerships, as the case may be;

[11/2006 wef 06/10/2006]

“repealed Accountants Act” means the Accountants Act (Cap. 2, 2001 Ed.) in force immediately before 1st April 2004;

“rules” means rules made under section 64;

“voting share”, in relation to a company or an accounting corporation, means an issued share in the company or accounting corporation other than —

(a) a share to which, in no circumstances, is there attached a right to vote; or

(b) a share to which there is attached a right to vote only in one or more of the following circumstances:

(i) during a period in which a dividend (or part of a dividend) in respect of the share is in arrears;

- (ii) upon a proposal to reduce the share capital of the company or accounting corporation;
- (iii) upon a proposal that affects rights attached to the share;
- (iv) upon a proposal to wind up the company or accounting corporation;
- (v) upon a proposal for the disposal of the whole of the property, business and undertakings of the company or accounting corporation;
- (vi) during the winding up of the company or accounting corporation.

PART II

ADMINISTRATION OF ACT

Administration of Act

3. The Authority shall be responsible —

- (a) for the registration of public accountants and the approval of accounting corporations, accounting firms and accounting LLPs and the names thereof under this Act;
- (b) for the control and regulation of the practice of the profession of accountancy by public accountants, accounting corporations, accounting firms and accounting LLPs; and
- (c) generally, for the administration of this Act,

and shall carry out such functions subject to the general or special directions of the Minister.

Appointment of Public Accountants Oversight Committee

4.—(1) For the discharge of its functions under section 3, the Authority may, with the approval of the Minister and subject to subsection (2), appoint from among its members a committee to be known as the Public Accountants Oversight Committee.

(2) At least one member of the Oversight Committee shall be a public accountant.

(3) The Oversight Committee shall carry out the functions and duties and exercise the powers conferred on it by this Act in accordance with such general or special directions as the Authority may from time to time give to the Oversight Committee.

(4) The Schedule shall have effect with respect to the Oversight Committee, its members and proceedings.

(5) The Authority may, with the approval of the Minister, amend or vary the Schedule by order in the *Gazette*.

Functions and powers of Oversight Committee

5.—(1) The Oversight Committee shall assist the Authority in the discharge of the Authority's functions under section 3 and, in so doing, shall —

(a) keep and maintain —

(i) a Register of Public Accountants;

(ii) a Register of Public Accounting Corporations;

(iii) a Register of Public Accounting Firms;

(iv) a Register of Public Accounting Limited Liability Partnerships; and

[11/2006 wef 06/10/2006]

(v) such other registers as may be necessary for the purposes of this Act;

[11/2006 wef 06/10/2006]

(b) consider and, as appropriate, grant (whether unconditionally or subject to such conditions as it thinks fit) or reject —

(i) all applications for registration made under Part III; and

(ii) all applications for approval under Part IV;

(c) assist the Authority in determining, prescribing and reviewing the requirements to be satisfied by persons

seeking to be registered as public accountants under Part III;

- (d) conduct or arrange for the conduct of such examinations as it thinks necessary for the purposes of registering public accountants;
- (e) administer the continuing professional education programmes for public accountants;
- (f) administer the practice monitoring programmes under Part V;
- (g) assist the Authority in determining, prescribing and reviewing —
 - (i) the codes of professional conduct and ethics for public accountants; and
 - (ii) the standards, methods and procedures to be applied by public accountants when providing public accountancy services;
- (h) inquire into —
 - (i) any complaint against any public accountant, accounting corporation, accounting firm or accounting LLP; or
 - (ii) any information relating to any professional misconduct on the part of any public accountant, accounting corporation, accounting firm or accounting LLP,and, if necessary, institute disciplinary proceedings in accordance with Part VI;
- (i) advise the Authority on any matter which relates to the profession of public accountancy; and
- (j) generally do all such acts, matters and things as are necessary to be carried out, or which the Oversight Committee is authorised to carry out, under this Act.

(2) The registers referred to in subsection (1)(a) may be kept in such form or manner as the Oversight Committee may determine.

(3) Subject to any general or special direction given by the Authority, the Oversight Committee shall have the powers to do anything for the purpose of discharging its functions under this Act, or which is incidental or conducive to the discharge of those functions.

Appointment of sub-committees by Oversight Committee

6.—(1) Subject to any general or special direction of the Authority, the Oversight Committee may appoint one or more sub-committees for any general or special purpose which in the opinion of the Oversight Committee may be better dealt with or managed by a sub-committee.

(2) The Oversight Committee may delegate to any sub-committee appointed under subsection (1), with or without restrictions or conditions as it thinks fit, any of the powers or functions which may be exercised or performed by the Oversight Committee under this Act.

(3) The number and term of office of the members of any sub-committee appointed under this section and the number of those members necessary to form a quorum shall be determined by the Oversight Committee.

(4) A sub-committee appointed under this section may include persons who are not members of the Oversight Committee.

(5) The Oversight Committee may continue to exercise any power conferred upon it or perform any function under this Act notwithstanding the delegation of such power or function to a sub-committee under this section.

(6) For the purposes of the Accounting and Corporate Regulatory Authority Act (Cap. 2A), any member of a sub-committee appointed by the Oversight Committee under or for the purposes of this Act shall be deemed to be a member of a committee of the Authority.

Appointment and duties of Registrar

7.—(1) The Authority shall, from among its officers, appoint —
(a) a Registrar of Public Accountants; and

- (b) such number of Deputy Registrars and Assistant Registrars of Public Accountants as the Authority considers necessary.
- (2) The Registrar shall —
 - (a) carry out the functions and duties and exercise the powers conferred on him by this Act in accordance with such general or special directions as the Authority or the Oversight Committee may from time to time give to him;
 - (b) attend all meetings of the Oversight Committee and record the proceedings thereof;
 - (c) conduct the correspondence and deal with such matters as may be assigned to him by the Authority or the Oversight Committee;
 - (d) issue all certificates and notices required to be issued under this Act; and
 - (e) collect all fees payable under this Act and pay all amounts so collected into the funds of the Authority.
- (3) Subject to such restrictions and limitations as the Authority or Oversight Committee may determine, the powers and duties of the Registrar under this Act may be exercised and discharged by a Deputy Registrar or an Assistant Registrar.

Registers

- 8.—**(1) The Registrar shall be responsible for the custody and maintenance of —
- (a) the Register of Public Accountants;
 - (b) the Register of Public Accounting Corporations;
 - (c) the Register of Public Accounting Firms; and
 - (d) the Register of Public Accounting Limited Liability Partnerships.

[11/2006 wef 06/10/2006]

(2) The Registrar shall —

(a) record —

- (i) in the Register of Public Accountants the name and relevant particulars of every public accountant who is registered under this Act or whose registration has been suspended or cancelled;
- (ii) in the Register of Public Accounting Corporations the name and relevant particulars of every accounting corporation that is approved under this Act or that has had its approval revoked;
- (iii) in the Register of Public Accounting Firms the name and relevant particulars of every accounting firm that is approved under this Act or that has had its approval revoked; and
- (iv) in the Register of Public Accounting Limited Liability Partnerships the name and relevant particulars of every accounting LLP that is approved under this Act or that has had its approval revoked;

[11/2006 wef 06/10/2006]

- (b) allow any person to inspect the Register of Public Accountants, the Register of Public Accounting Corporations, the Register of Public Accounting Firms or the Register of Public Accounting Limited Liability Partnerships in such manner and on such terms as the Oversight Committee may determine;
- (c) insert in the appropriate register any change in the names or relevant particulars recorded therein that may have been notified to him or that may otherwise have come to his knowledge; and
- (d) correct any error in any entry in any of the registers.

Certificate of Registrar

9. Where any question arises as to whether or not —
- (a) a person is or was a public accountant registered under this Act;
 - (b) a company is or was an accounting corporation approved under this Act;
 - (c) a firm is or was an accounting firm approved under this Act;
 - (ca) a limited liability partnership is or was an accounting LLP approved under this Act; or
- [11/2006 wef 06/10/2006]*
- (d) an entry in any register kept under this Act is accurate or correct,

a certificate issued by the Registrar addressing such question shall be admissible as evidence in any proceedings and shall be prima facie evidence of the facts stated therein.

PART III**REGISTRATION OF PUBLIC ACCOUNTANTS****Qualifications for registration**

- 10.—(1) Any person who —
- (a) has attained the age of 21 years; and
 - (b) satisfies the prescribed requirements relating to —
 - (i) qualifications;
 - (ii) practical experience; and
 - (iii) membership in any professional accountancy body or organisation,

shall be entitled, on payment of the prescribed fee, to be registered as a public accountant under this Part.

(2) The Authority may, after consultation with the Oversight Committee and subject to such conditions as it thinks fit, exempt

any person from any of the prescribed requirements referred to in subsection (1)(b).

Application for registration

11.—(1) Any person who desires to be registered as a public accountant under this Part may make an application to the Oversight Committee in such form or manner as the Oversight Committee may require.

(2) An application under subsection (1) shall be accompanied by —

(a) the prescribed fee; and

(b) a declaration by the applicant verifying any information contained in or relating to the application.

(3) The Oversight Committee may require an applicant for registration to undergo such interviews as the Oversight Committee may determine.

(4) The Oversight Committee may refuse to register any applicant who —

(a) in the opinion of the Oversight Committee —

(i) is not of good reputation or character;

(ii) is engaged in any business or occupation that is inconsistent with the integrity of a public accountant;
or

(iii) is otherwise unfit to practise as a public accountant;
or

(b) has had his registration, licence or approval to practise as a public accountant in any other country withdrawn, suspended, cancelled or revoked.

(5) Where the Oversight Committee refuses to register an applicant, it shall by notice in writing inform the applicant of its refusal.

(6) Any person who is aggrieved by any refusal of the Oversight Committee under subsection (4) may, within 30 days of the notice given under subsection (5), appeal to the Minister whose decision shall be final.

Certificate of registration and record in Register of Public Accountants

12.—(1) Upon a person being registered as a public accountant under this Part, the Registrar shall —

- (a) issue to him a certificate of registration; and
- (b) record his name and relevant particulars in the Register of Public Accountants.

(2) A certificate of registration shall be issued in such form or manner as the Oversight Committee may determine.

(3) Subject to the provisions of this Act, every such certificate of registration shall be in force from the date of its issue or renewal to 31st December of the year in respect of which the certificate is issued or renewed.

Renewal of registration

13.—(1) Unless the Oversight Committee or the Registrar allows otherwise, a public accountant who desires to renew his certificate of registration upon its expiry shall, not less than one month before the date of the expiry, submit his application for the renewal to the Oversight Committee in such form or manner as the Oversight Committee may require.

[28/2004]

(2) An application under subsection (1) shall be accompanied by —

- (a) the prescribed fee; and
- (b) a declaration by the applicant verifying any information contained in or relating to the application.

(3) Unless the Oversight Committee determines otherwise, a public accountant shall not be entitled to have his certificate of registration renewed if he has failed —

- (a) to comply with the prescribed requirements relating to continuing professional education;
- (b) to pass any practice review under Part V or comply with any order or requirement under section 38(1)(a); or

- (c) to satisfy such other requirement as the Oversight Committee thinks relevant.

Duty to report change in particulars

14.—(1) Every public accountant shall, whenever there is any change in his name or any of his relevant particulars as recorded in the Register of Public Accountants, notify the Registrar of such change within 30 days thereof in such manner as the Oversight Committee may require.

(2) Any person who fails, without reasonable excuse, to comply with subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000.

Removal from Register of Public Accountants

15.—(1) The Registrar shall remove from the Register of Public Accountants the name and relevant particulars of any public accountant —

- (a) who has died;
- (b) who has become unfit to practise as a public accountant by reason of any physical or mental condition;
- (c) who has been adjudged a bankrupt;
- (d) who, without reasonable excuse, has failed to renew his certificate of registration after one month from the date of the expiry thereof;
- (e) whose registration has been cancelled under the provisions of Part V or VI; or
- (f) who has applied to the Oversight Committee for his registration to be cancelled and whose application has been granted by the Oversight Committee.

[28/2004]

(2) Subject to subsection (3), any person whose name has been removed from the Register under subsection (1)(d) may, if he desires to be reinstated in the Register, apply to the Registrar for reinstatement within 21 days of his being informed by the Registrar of the removal of his name from the Register, and the

Registrar shall, upon payment of the prescribed fee by the applicant, reinstate the applicant to the Register.

(3) The Registrar shall not remove the name and relevant particulars of a public accountant from the Register of Public Accountants under subsection (1)(d) and the Oversight Committee shall not grant an application by a public accountant to cancel his registration under subsection (1)(f), if the Registrar or Oversight Committee, as the case may be, has received any complaint or information against the public accountant under Part VI, or if disciplinary proceedings under that Part are pending against the public accountant.

(4) The Oversight Committee may also cancel the registration of a public accountant and order the removal of his name and relevant particulars from the Register of Public Accountants if it is satisfied that —

- (a) the public accountant has obtained his registration by fraud or misrepresentation;
- (b) the public accountant has made any arrangement with his creditors;
- (c) the public accountant no longer satisfies any of the requirements prescribed under section 10(1)(b) by virtue of which he was registered under this Part;
- (d) for any reason, the public accountant has been censured by any professional accountancy body or organisation of which he is a member or with which he is registered, or has had his membership or registration with such body or organisation terminated or suspended; or
- (e) the public accountant is no longer in a position to discharge the duties of a public accountant effectively.

(5) The Oversight Committee shall, before exercising its powers under subsection (4), notify the public accountant concerned of its intention to take such action and shall give him an opportunity to submit reasons, within such period as the Oversight Committee may determine, as to why his registration should not be cancelled.

(6) Any public accountant who is aggrieved by an order under subsection (4) may, within 30 days of being notified of the order, appeal to the Minister whose decision shall be final.

Publication of list of public accountants

16. The Registrar may, from time to time, prepare and publish in such form or manner as the Oversight Committee may determine a list of the names and particulars of all public accountants.

PART IV

ACCOUNTING CORPORATIONS, ACCOUNTING FIRMS AND ACCOUNTING LLPS

Approval of accounting corporations

17.—(1) A public accountant who wishes to have a company or proposed company approved as an accounting corporation may apply to the Oversight Committee for approval of —

- (a) the company as an accounting corporation; and
- (b) the name or proposed name of the accounting corporation.

(2) An application under subsection (1) shall be made in accordance with the prescribed requirements and shall be accompanied by the prescribed fee.

(3) Subject to subsection (4) and any other provisions of this Act, the Oversight Committee may, on receiving an application made under this section, approve the company or proposed company concerned as an accounting corporation if and only if —

- (a) one of the primary objects of the company or proposed company is to provide public accountancy services;
- (b) the share capital of the company or proposed company that is paid up or to be paid up is not less than \$50,000 or such other sum as may be prescribed;
- (c) the articles of association of the company or proposed company provide that —

- (i) not less than two-thirds, or such other proportion as may be prescribed, of the directors (including the chairman) shall be public accountants, or —
 - (A) if the company or proposed company has only one director, that that director shall be a public accountant; or
 - (B) if the company or proposed company has only 2 directors, that one of those directors shall be a public accountant;
 - (ii) not less than two-thirds, or such other proportion as may be prescribed, of the voting shares of the company or proposed company shall be owned by corporate practitioners; and
 - (iii) only natural persons may own any shares of the company or proposed company;
- (d) the business of the company or proposed company, so far as it relates to the provision of public accountancy services in Singapore, will be under the control and management of one or more directors of the company who are public accountants ordinarily resident in Singapore; and
- (e) the company or proposed company is or will be covered by professional indemnity insurance in accordance with section 28 and the prescribed requirements.

(4) If the Oversight Committee grants its approval for a proposed company to be an accounting corporation, the approval shall not take effect until the company is formed and registered under the Companies Act (Cap. 50).

Approval of accounting firms

18.—(1) A public accountant who wishes to have a firm or proposed firm approved as an accounting firm may apply to the Oversight Committee for approval of —

- (a) the firm as an accounting firm; and
- (b) the name or proposed name of the accounting firm.

(2) An application under subsection (1) shall be made in accordance with the prescribed requirements and shall be accompanied by the prescribed fee.

(3) The Oversight Committee may, on receiving an application made under this section, approve the firm or proposed firm concerned as an accounting firm if and only if —

- (a) one of the primary objects of the firm or proposed firm is to provide public accountancy services;
- (b) at least two-thirds, or such other proportion as may be prescribed, of the partners are public accountants, or if the partnership has only 2 partners, one of those partners is a public accountant; and
- (c) the business of the partnership, so far as it relates to the supply of public accountancy services in Singapore, will be under the control and management of one or more partners who are public accountants ordinarily resident in Singapore.

Approval of accounting LLPs

18A.—(1) A public accountant who wishes to have a limited liability partnership or proposed limited liability partnership approved as an accounting LLP may apply to the Oversight Committee for the approval of —

- (a) the limited liability partnership as an accounting LLP; and
- (b) the name or proposed name of the accounting LLP.

(2) An application under subsection (1) shall be made in accordance with the prescribed requirements and shall be accompanied by the prescribed fee.

(3) The Oversight Committee may, on receiving an application made under this section, approve the limited liability partnership or proposed limited liability partnership concerned as an accounting LLP if and only if —

- (a) one of the primary objects of the limited liability partnership or proposed limited liability partnership is to provide public accountancy services;
- (b) the capital of the limited liability partnership or proposed limited liability partnership that is paid up or to be paid up is not less than \$50,000 or such other sum as may be prescribed;
- (c) at least two-thirds, or such other proportion as may be prescribed, of the partners are public accountants, or if the partnership has only 2 partners, one of those partners is a public accountant;
- (d) the accounting LLP or proposed accounting LLP is or will be covered by professional indemnity insurance in accordance with section 28 and the prescribed requirements; and
- (e) the business of the accounting LLP, so far as it relates to the supply of public accountancy services in Singapore, will be under the control and management of one or more partners who are public accountants ordinarily resident in Singapore.

[11/2006 wef 06/10/2006]

Name of accounting corporation, accounting firm or accounting LLP

19.—(1) The Oversight Committee shall not approve the name or proposed name, or any proposed change in the name, of an accounting corporation, accounting firm or accounting LLP if it is of the opinion that the name or proposed name —

- (a) is undesirable; or
- (c) is a name of a kind that the Authority has directed the Oversight Committee not to accept for registration.

(2) Notwithstanding section 27 of the Companies Act (Cap. 50), an accounting corporation which is a limited company need not have the word “Limited” or “Berhad” as part of its name and an accounting

corporation which is a private company need not have the word “Private” or “Sendirian” as part of its name.

(3) Every accounting corporation shall have either the words “Public Accounting Corporation” as part of its name or the acronym “PAC” at the end of its name, and no person, firm or company other than an approved accounting corporation shall have such words or acronym as part of or at the end of its name, as the case may be.

(4) The name of an accounting corporation, accounting firm or accounting LLP shall not be changed without the prior approval in writing of the Oversight Committee.

(5) Notwithstanding anything in this section, section 27 of the Companies Act or section 19 of the Limited Liability Partnerships Act 2005 (Act 5 of 2005), where the Oversight Committee is satisfied that the name of an accounting corporation, accounting firm or accounting LLP has been approved (whether through inadvertence or otherwise and whether originally or by change of name) in contravention of subsection (1), the Oversight Committee may direct the accounting corporation, accounting firm or accounting LLP to change its name.

[11/2006 wef 06/10/2006]

(6) The accounting corporation, accounting firm or accounting LLP shall comply with the direction of the Oversight Committee under subsection (5) within 6 weeks after the date of the direction or such longer period as the Oversight Committee may allow unless the direction is annulled by the Minister.

Right of appeal against decision of Oversight Committee

20.—(1) An applicant for approval by the Oversight Committee of —

- (a) a company or proposed company as an accounting corporation;
- (b) a firm or proposed firm as an accounting firm;
- (c) a limited liability partnership or proposed limited liability partnership as an accounting LLP; or

- (d) the name or a change in the name of an accounting corporation, accounting firm or accounting LLP,

may, within 30 days after the Oversight Committee's decision under section 17, 18, 18A or 19, as the case may be, is communicated to the applicant, appeal to the Minister against the decision of the Oversight Committee.

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(2) An applicant making an appeal under subsection (1) shall comply with the prescribed requirements relating to such an appeal.

(3) On the hearing of an appeal, the Minister may —

- (a) confirm the decision of the Oversight Committee; or
(b) direct the Oversight Committee to grant the application for approval, either unconditionally or subject to conditions specified by the Minister,

and may make such order as to the payment of costs by the Authority or by the applicant as the Minister thinks fit.

(4) The decision of the Minister on appeal under subsection (3) shall be final.

Notification of approval and record in Register

21. Where the Oversight Committee has approved a company, a firm or a limited liability partnership as an accounting corporation, an accounting firm or an accounting LLP under this Part, the Registrar shall —

- (a) notify the accounting corporation, accounting firm or accounting LLP of the approval; and
(b) record the name and relevant particulars of the accounting corporation, accounting firm or accounting LLP in the Register of Public Accounting Corporations, the Register of Public Accounting Firms or the Register of Public Accounting Limited Liability Partnerships, as appropriate.

[11/2006 wef 06/10/2006]

Duty to report change in particulars

22.—(1) A public accountant shall notify the Registrar of any change in the name or relevant particulars, as recorded in the Register of Public Accounting Corporations, the Register of Public Accounting Firms or the Register of Public Accounting Limited Liability Partnerships (as the case may be) of the accounting corporation, accounting firm or accounting LLP in which he is practising.

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(2) Any notification under subsection (1) shall be given within 30 days of the change and in such manner as the Oversight Committee may require.

(3) Any person who fails, without reasonable excuse, to comply with this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000.

Effect of company becoming accounting corporation

23.—(1) An accounting corporation is authorised to do anything that a public accountant can do by law and is required to do all that a public accountant is required to do by law in respect of the provision of public accountancy services by that accounting corporation.

(2) Subsection (1) shall not apply to the doing of anything that can only be done by a public accountant as a natural person.

(3) A public accountant who provides public accountancy services as a director or an employee of an accounting corporation shall be subject to the same standards of professional conduct and competence in respect of such services as if he were personally providing the public accountancy services as a public accountant in an accounting firm.

(4) The mere fact that a public accountant personally provides public accountancy services as a director or an employee of an accounting corporation shall not affect the personal liability of that public accountant at law.

Effect of becoming accounting LLP

23A.—(1) An accounting LLP is authorised to do anything that a public accountant can do by law and is required to do all that a public accountant is required to do by law in respect of the provision of public accountancy services by that accounting LLP.

(2) Subsection (1) shall not apply to the doing of anything that can only be done by a public accountant as a natural person.

(3) A public accountant who provides public accountancy services as a partner or an employee of an accounting LLP shall be subject to the same standards of professional conduct and competence in respect of such services as if he were personally providing the public accountancy services as a public accountant in an accounting firm.

(4) The mere fact that a public accountant personally provides public accountancy services as a partner or an employee of an accounting LLP shall not affect the personal liability of that public accountant at law.

[11/2006 wef 06/10/2006]

Relationship between client and accounting corporation or accounting LLP

24. An accounting corporation and an accounting LLP shall have the same rights and be subject to the same fiduciary, confidential and ethical requirements with respect to each client of the accounting corporation or accounting LLP, as the case may be, in respect of the provision of public accountancy services that exist at law with respect to a public accountant and his client.

[11/2006 wef 06/10/2006]

Professional misconduct

25.—(1) An act or omission of a public accountant may constitute improper or dishonourable conduct in the discharge of his professional duty even though it is only done or occurs while the public accountant provides public accountancy services through an accounting corporation, an accounting firm or an accounting LLP.

(2) The directors of an accounting corporation or the partners of an accounting firm or an accounting LLP who are public accountants

shall be jointly liable to disciplinary proceedings under this Act if the business of the accounting corporation, accounting firm or accounting LLP is conducted in a manner which would warrant disciplinary proceedings against it and where such conduct cannot be attributed to the act or omission of any particular public accountant or public accountants.

Requirements relating to memorandum and articles of association, and annual reports, of accounting corporations

26.—(1) The memorandum and articles of association of an accounting corporation shall at all times comply with all the requirements specified in section 17(3)(a) and (c) and the rules relating thereto.

(2) An accounting corporation shall, within 30 days of the occurrence of —

- (a) any amendment to its memorandum or articles of association;
- (b) any change in the composition of its board of directors who are public accountants;
- (c) any change in the proportion of its voting shares owned by corporate practitioners; or
- (d) any change in the number of its corporate practitioners,

furnish the Registrar with a true report in writing giving full particulars of the amendment or change.

(3) In addition to the requirements in subsection (2), every accounting corporation shall in every year, not later than a date specified by the Oversight Committee, send to the Registrar an annual report relating to the accounting corporation in such form as the Oversight Committee may require.

Shares of accounting corporation

27.—(1) Subject to the provisions of this Act, the voting shares in an accounting corporation shall at all times be owned by corporate practitioners in such proportions referred to in section 17(3)(c)(ii) and shall comply with the prescribed requirements.

(2) The share capital of an accounting corporation which is paid up shall at all times be not less than a sum of \$50,000 or such other sum as may be prescribed.

(3) No share in an accounting corporation may be held by a person as nominee for another person and no security may be created over any share in an accounting corporation.

(4) Any purchase or acquisition of a share of an accounting corporation, and any security created over any such share, in contravention of subsection (3) shall be null and void.

(5) A public accountant whose registration is cancelled under Part V or VI shall not —

- (a) hold any shares in any accounting corporation; or
- (b) directly or indirectly, take part or be concerned in the management or practice of any accounting corporation without the permission of the Oversight Committee,

unless and until he is subsequently reinstated as a registered public accountant.

(6) A public accountant whose registration is suspended under Part V or VI shall not, during the period of suspension —

- (a) exercise any voting rights attached to his shares in any accounting corporation; or
- (b) take part or be concerned in the management or practice of any accounting corporation without the permission of the Oversight Committee.

(7) Notwithstanding subsections (1) and (5), where any person who is a member of an accounting corporation by virtue of being a corporate practitioner has, for any reason other than those mentioned in subsection (8), ceased to be —

- (a) a public accountant; or

(b) a director or an employee of the accounting corporation, the Oversight Committee may, upon an application made by that person or by the accounting corporation concerned, grant him a grace

period of not more than 2 years to transfer his voting shares in the accounting corporation.

(8) Notwithstanding subsection (1), where any person who is a member of an accounting corporation by virtue of being a corporate practitioner has, by reason of death, bankruptcy or incapacity due to mental or physical disability —

- (a) ceased to be a public accountant; or
- (b) ceased to be a director or an employee of the accounting corporation,

the Oversight Committee may, upon the application of the accounting corporation concerned, allow the administrator or executor of that person's estate, the trustee in bankruptcy or the committee of that estate, as the case may be, to hold the person's voting shares in the accounting corporation for a grace period.

(9) The grace period referred to in subsection (8) shall be a period not exceeding 2 years commencing —

- (a) in the case of death, from the date the administrator or executor is appointed by the court;
- (b) in the case of bankruptcy, from the date the person is adjudged a bankrupt; or
- (c) in the case of incapacity by reason of mental or physical disability, from the date the person becomes incapable to act.

(10) The person or persons who are allowed under subsections (7) and (8), respectively, a grace period to transfer or hold voting shares in an accounting corporation shall be treated as corporate practitioners for the purposes of computing the proportion of any voting shares in the accounting corporation which is required by section 17(3)(c)(ii) to be owned by corporate practitioners.

(11) The person or persons who are allowed under subsections (7) and (8), respectively, a grace period to transfer or hold voting shares in an accounting corporation shall not during the grace period exercise any voting rights attached to his or their voting shares in the

accounting corporation or take part or be concerned in the management or practice of the accounting corporation.

Professional indemnity insurance

28.—(1) Every accounting corporation and every accounting LLP registered under this Act shall be covered by professional indemnity insurance of not less than one of the following amounts, whichever is the highest:

- (a) \$1 million;
- (b) a sum equal to the total of \$500,000 for every corporate practitioner in the accounting corporation or accounting LLP; or
- (c) where applicable, a sum equal to two and a half times the gross income of the accounting corporation or accounting LLP in the last completed financial year of the accounting corporation or accounting LLP subject to a maximum sum of \$50 million.

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(2) The Authority may, by rules, vary the amount of coverage under a professional indemnity insurance required by subsection (1).

Management of accounting corporation

29.—(1) Only members of an accounting corporation may be appointed as directors of the accounting corporation.

(2) The business of an accounting corporation, so far as it relates to the provision of public accountancy services, shall be under the control and management of one or more directors who are public accountants.

(3) Where, for any reason, the office of director required to be held by a public accountant under section 17(3)(c)(i) is vacated, the accounting corporation shall, as soon as practicable but no later than one month after the date of vacation of office, appoint another public accountant to fill the vacancy.

(4) The directors of an accounting corporation shall ensure that every invoice or official correspondence of the accounting

corporation bears the statement that it is incorporated with limited liability.

Application of Companies Act and other written laws to accounting corporations

30.—(1) Nothing in this Part, with the exception of section 19(2), shall affect the operation of the Companies Act (Cap. 50) in relation to its application to a company that is an accounting corporation.

(2) An accounting corporation shall, notwithstanding that the shares in the accounting corporation are held by more than 20 members, be deemed to be an exempt private company for the purposes of the Companies Act.

(3) An accounting corporation shall not be treated for the purposes of the Companies Act as a public company merely because it has more than 50 members.

(4) Such provisions of any written law having effect in relation to public accountants or accounting firms as may be prescribed, shall have effect in relation to accounting corporations with such prescribed modifications as may be necessary or expedient; and such provisions shall be construed accordingly.

Application of Limited Liability Partnerships Act 2005 and other written laws to accounting LLPs

30A.—(1) Nothing in this Part shall affect the operation of the Limited Liability Partnerships Act 2005 (Act 5 of 2005) in relation to its application to a limited liability partnership that is an accounting LLP.

(2) Such provisions of any written law having effect in relation to public accountants or accounting firms as may be prescribed, shall have effect in relation to accounting LLPs with such prescribed modifications as may be necessary or expedient; and such provisions shall be construed accordingly.

[11/2006 wef 06/10/2006]

**Removal from Register of Public Accounting Corporations,
Register of Public Accounting Firms or Register of Public
Accounting Limited Liability Partnerships**

31.—(1) The Registrar shall remove from the Register of Public Accounting Corporations the name and relevant particulars of any accounting corporation if —

- (a) the accounting corporation has been wound up;
- (b) the approval of the accounting corporation under this Part has been revoked under Part VI; or
- (c) the accounting corporation has applied for its approval under this Part to be revoked.

(2) The Registrar shall remove from the Register of Public Accounting Firms the name and relevant particulars of any accounting firm if —

- (a) the accounting firm has been dissolved;
- (b) the approval of the accounting firm under this Part has been revoked under Part VI; or
- (c) the accounting firm has applied for its approval under this Part to be revoked.

(2A) The Registrar shall remove from the Register of Public Accounting Limited Liability Partnerships the name and relevant particulars of any accounting LLP if —

- (a) the accounting LLP has been dissolved;
- (b) the approval of the accounting LLP under this Part has been revoked under Part VI; or
- (c) the accounting LLP has applied for its approval under this Part to be revoked.

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(3) The Oversight Committee shall not grant an application by an accounting corporation, an accounting firm or an accounting LLP for the revocation of its approval under subsection (1)(c), (2)(c) or (2A)(c), as the case may be, if —

- (a) it has received any complaint or information under Part VI against the accounting corporation, accounting firm or accounting LLP or any public accountant practising therein;
- (b) disciplinary proceedings under Part VI are pending against the accounting corporation, accounting firm or accounting LLP or any public accountant practising therein; or
- (c) the conduct of business of the accounting corporation, accounting firm or accounting LLP is the subject of an inquiry or investigation by a Complaints Committee or a Disciplinary Committee under Part VI.

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(4) The Oversight Committee may also revoke its approval of an accounting corporation or an accounting firm and order the removal of its name and relevant particulars from the appropriate Register if it is satisfied that —

- (a) the approval of the accounting corporation, accounting firm or accounting LLP under this Part has been obtained by fraud or misrepresentation;
- (b) the accounting corporation, the sole proprietor or any partner of the accounting firm, or any partner of the accounting LLP, as the case may be, has made an arrangement with its or his creditors;
- (c) the accounting corporation, accounting firm or accounting LLP has ceased to provide public accountancy services in Singapore; or
- (d) the accounting corporation, accounting firm or accounting LLP is no longer in a position to provide public accountancy services effectively.

(5) The Oversight Committee shall, before exercising its powers under subsection (4), notify the accounting corporation, accounting firm or accounting LLP concerned of its intention to take such action and shall give the accounting corporation, accounting firm or accounting LLP an opportunity to submit reasons, within such

period as the Oversight Committee may determine, as to why its approval under this Part should not be revoked.

(6) Any person who is aggrieved by an order under subsection (4) may, within 30 days of being notified of the order, appeal to the Minister whose decision shall be final.

PART V

PRACTICE MONITORING PROGRAMME

Interpretation of this Part

32. In this Part —

“practice monitoring programme” means a programme designed to ascertain whether a public accountant has complied with the prescribed standards, methods, procedures and other requirements when providing public accountancy services;

“Practice Monitoring Sub-committee” means the Practice Monitoring Sub-committee appointed under section 34;

“practice review” means a study, appraisal, or review of one or more aspects of the professional work of a public accountant that is carried out under a practice monitoring programme;

“reviewer” means any person who is appointed by the Oversight Committee under section 35 to carry out a practice review.

Practice monitoring programme for public accountants

33.—(1) The Oversight Committee may require, as a condition for a public accountant to be allowed to remain in practice, that the public accountant should undergo, at such periods as the Oversight Committee may determine, a practice monitoring programme under this Part and successfully pass the practice reviews carried out under such programme.

(2) The Oversight Committee may require a public accountant undergoing a practice monitoring programme to pay such fee as it may specify in connection with the administration of the programme.

Appointment of Practice Monitoring Sub-committee

34.—(1) The Oversight Committee may, with the approval of the Authority, appoint a Practice Monitoring Sub-committee to assist the Oversight Committee in designing and implementing the practice monitoring programmes for the purposes of this Part.

(2) The Oversight Committee shall designate one of the members of the Practice Monitoring Sub-committee to be its chairman.

(3) The term of office of a member of the Practice Monitoring Sub-committee shall be determined by the Oversight Committee.

(4) Subject to this Part and to any general or special direction of the Authority or the Oversight Committee, the Practice Monitoring Sub-committee may regulate its own procedure and business.

Appointment of reviewers

35. The Oversight Committee may appoint any employee of the Authority or any other suitably qualified person as a reviewer to carry out any practice review under this Part.

Practice reviews

36.—(1) A reviewer shall carry out a practice review in accordance with —

- (a) the relevant provisions of this Part;
- (b) the practice and procedure as may be determined by the Oversight Committee; and
- (c) such instructions as may be issued by the Authority or the Oversight Committee.

(2) The following provisions shall apply in respect of any practice review under this Part:

- (a) any public accountant under review shall, if required by the reviewer —
 - (i) produce to the reviewer or afford the reviewer access to, any record or document specified by the reviewer or any record or other document which is of a class or description so specified and which is in his

possession or under his control being in either case a record or other document which the reviewer reasonably believes is or may be relevant to the practice review, within such time and at such place as the reviewer may reasonably require;

- (ii) give to the reviewer such explanation or further particulars in respect of anything produced in compliance with a requirement under sub-paragraph (i) as the reviewer shall specify; and
 - (iii) give to the reviewer all assistance in connection with the practice review which he is reasonably able to give;
- (b) where any information or matter relevant to a practice review is recorded otherwise than in a legible form, the power of a reviewer to require the production of any record or other document conferred under paragraph (a) shall include the power to require the production of a reproduction of any such information or matter or of the relevant part of it in a legible form;
- (c) a reviewer may inspect, examine or make copies of or take any abstract of or extract from any record or document produced under paragraph (a) or (b);
- (d) a reviewer exercising a power under this section shall, if so requested by a person affected by such exercise, produce for inspection by such person such evidence of his authority as may be provided to him by the Oversight Committee upon his appointment as a reviewer.

(3) Nothing in this section shall be taken to compel the production by a public accountant of a record or document containing a privileged communication by or to a legal practitioner in that capacity.

Reviewer to submit report

37.—(1) A reviewer who carries out a practice review under this Part shall submit a report to the Practice Monitoring Sub-committee

at the conclusion of the practice review and at any other stage thereof as may be required by the Practice Monitoring Sub-committee.

(2) Where after the conclusion of a practice review the Practice Monitoring Sub-committee, having had regard to any report submitted by the reviewer, is of the opinion that the public accountant concerned has failed to observe, maintain or apply the prescribed professional standards, methods, procedures or other requirements, the Practice Monitoring Sub-committee shall make a report thereof to the Oversight Committee.

Consequences of failure to pass practice review

38.—(1) Upon receiving the report of the Practice Monitoring Sub-committee under section 37(2) and considering the recommendations therein, the Oversight Committee may —

- (a) take any one or more of the following actions:
 - (i) by order impose such conditions as are necessary to restrict the provision of public accountancy services by the public accountant in such manner as the Oversight Committee thinks fit for a period not exceeding 2 years;
 - (ii) require the public accountant to undergo and satisfactorily complete such remedial programme as may be specified by the Oversight Committee;
 - (iii) require the public accountant to take other steps as may be specified by the Oversight Committee to improve the practice of the public accountant or to give such undertaking as the Oversight Committee thinks fit;
 - (iv) make such other order as the Oversight Committee thinks necessary or expedient; or
- (b) if it is of the opinion that it is contrary to the public interest or the interest of the profession of public accountancy for the public accountant to continue in practice, or if the public accountant has failed to comply with any order or

requirement of the Oversight Committee under paragraph (a) —

- (i) refuse to renew the registration of the public accountant concerned;
- (ii) suspend the registration of the public accountant concerned for a period not exceeding 2 years; or
- (iii) cancel the registration of the public accountant concerned.

(2) The Oversight Committee shall not take any action under subsection (1)(b) unless it has given the public accountant concerned an opportunity to show cause against the action proposed to be taken by the Oversight Committee.

(3) Where the Oversight Committee has made an order referred to in subsection (1)(a), the Oversight Committee may, if it thinks fit having regard to any change in circumstances, by another order revoke the original order or revoke or vary any of the conditions imposed by the original order.

(4) Where the Oversight Committee has, under subsection (3), revoked the order referred to in subsection (1)(a) or revoked or varied any of the conditions imposed by such order, the Registrar shall immediately serve on the public accountant concerned a notice of the revocation or variation.

(5) A decision of the Oversight Committee under subsection (1)(b) shall not take effect —

- (a) until the expiration of one month from the date on which the decision has been communicated to the public accountant concerned; or
- (b) where an appeal against the decision is made to the High Court under subsection (7), until the appeal has been determined or withdrawn.

(6) While any public accountant remains suspended under subsection (1)(b)(ii), he shall be deemed not to be registered as a public accountant under this Act but immediately upon the expiry of

his period of suspension, his rights and privileges as a public accountant shall forthwith be revived.

(7) Any public accountant who is aggrieved by a decision of the Oversight Committee to take action under subsection (1)(b) may appeal to the High Court within a period of 30 days (or such further period as the Oversight Committee may allow on application in any particular case) after the service of the Oversight Committee's decision on the public accountant.

(8) The decision of the High Court on an appeal under subsection (7) shall be final.

PART VI

DISCIPLINARY PROCEEDINGS

Appointment of Complaints and Disciplinary Panel

39.—(1) For the purpose of enabling Complaints Committees and Disciplinary Committees to be constituted under this Part, the Oversight Committee shall appoint a panel, to be known as the Complaints and Disciplinary Panel, consisting of such number of public accountants and lay persons as the Oversight Committee thinks fit.

(2) A member of the Complaints and Disciplinary Panel shall be appointed for a term of 2 years and shall be eligible for reappointment.

(3) The Registrar shall be the Chairman of the Complaints and Disciplinary Panel.

(4) The Oversight Committee may at any time remove from office any member of the Complaints and Disciplinary Panel or fill any vacancy in its membership.

Complaints against public accountants, accounting corporations, accounting firms and accounting LLPs

40.—(1) Any complaint concerning —

- (a) any improper or dishonourable conduct on the part of a public accountant in the discharge of his professional duty; or
- (b) any improper act or conduct on the part of a public accountant, an accounting corporation, an accounting firm or an accounting LLP,

shall be made to the Oversight Committee in writing and shall be supported by such statutory declaration as the Oversight Committee may require, except that no statutory declaration shall be required if the complaint or information is made or given by any public officer or officer of the Authority.

(2) The Oversight Committee may require any person making a complaint to deposit with it a reasonable sum not exceeding \$1,000 to cover the costs and expenses that may necessarily be incurred by the Oversight Committee in dealing with the complaint.

(3) Where the complaint is dismissed under section 41(6) or is otherwise found to be frivolous or vexatious following a review or inquiry under this Part, the sum so deposited or such part thereof as the Oversight Committee may determine shall be applied for the payment of those costs and expenses; otherwise the sum so deposited shall be returned to the person making the complaint.

(4) Any person who makes a complaint to the Oversight Committee under this Part which he knows to be false in any material particular shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000.

Review of complaint

41.—(1) Subject to subsection (2), the Oversight Committee shall, upon receiving any complaint under section 40, refer the complaint to the Registrar for review.

(2) The Oversight Committee may also, on its own motion, refer any information concerning any improper or dishonourable act or

conduct of a public accountant, an accounting corporation, an accounting firm or an accounting LLP to the Registrar for review.

(3) The Oversight Committee need not refer any complaint or information to the Registrar for review where the complaint or information relates to any matter set out in section 15(1) or (4) or 31(1), (2) or (4), and in such a case, the Oversight Committee may take such action as it thinks fit under that section.

(4) The Registrar —

(a) shall review the complaint or information referred to him for the purpose of determining if there are sufficient merits therein to warrant the institution of disciplinary proceedings under this Part against the public accountant, accounting corporation, accounting firm or accounting LLP concerned; and

(b) may, for the purpose of conducting such review, enlist the assistance of any public accountant or lay person on the Complaints and Disciplinary Panel.

(5) In reviewing any complaint or information under this section, the Registrar may require the complainant (if any) or the public accountant, accounting corporation, accounting firm or accounting LLP concerned to answer any question or to furnish any document or information that the Registrar considers relevant for the purpose of the review.

(6) If the complainant refuses or fails, without reasonable excuse, to furnish any document or information as may be required by the Registrar under subsection (5), the Registrar may dismiss the complaint.

(7) If any public accountant, accounting corporation, accounting firm or accounting LLP refuses or fails, without reasonable excuse, to furnish any document or information as may be required by the Registrar under subsection (5), the public accountant, accounting corporation or accounting firm (as the case may be) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000.

(8) On the completion of a review under this section, the Registrar shall —

- (a) dismiss the complaint or information, if he finds that the complaint is frivolous, vexatious, misconceived or without merits, or that the information is unsubstantiated;
- (b) in a case where the complaint or information relates to the conviction (whether in Singapore or elsewhere) of the public accountant, accounting corporation, accounting firm or accounting LLP concerned of an offence that —
 - (i) involves fraud or dishonesty; or
 - (ii) implies a defect in character which makes the public accountant concerned unfit for his profession,

recommend to the Oversight Committee to refer the matter to a Disciplinary Committee for a formal inquiry; and

- (c) in any other case, recommend to the Oversight Committee to refer the matter to a Complaints Committee for inquiry.

(9) The Oversight Committee may, upon accepting the recommendation of the Registrar under subsection (8)(b) or (c) —

- (a) direct the Registrar to appoint a Complaints Committee; or
- (b) appoint a Disciplinary Committee,

as appropriate, and refer the complaint or information thereto for an inquiry or a formal hearing, as the case may be.

Power to proceed with complaint notwithstanding complainant's withdrawal

42.—(1) The Oversight Committee may, if it thinks fit, direct that a complaint against a public accountant, an accounting corporation, an accounting firm or an accounting LLP be proceeded with at an inquiry of a Complaints Committee or a formal inquiry of a Disciplinary Committee notwithstanding that the complainant may have withdrawn the complaint at any time before or after the appointment of the Complaints Committee or Disciplinary Committee.

(2) Where the Oversight Committee has made a direction under subsection (1), the complaint shall be proceeded with as if it had originated as information which the Oversight Committee had, on its own motion, referred to the Registrar for review under section 41(2).

Conviction final and conclusive

43. In any proceedings instituted under this Part against a public accountant, an accounting corporation, an accounting firm or an accounting LLP arising from his or its conviction of a criminal offence, the Registrar, the Oversight Committee, a Complaints Committee, a Disciplinary Committee and the High Court on appeal from any order of the Oversight Committee, shall accept the conviction as final and conclusive unless —

- (a) it is subject to review or appeal that has not yet been determined;
- (b) it has been quashed or set aside; or
- (c) a pardon has been given in respect of it.

Constitution of Complaints Committee

44.—(1) A Complaints Committee shall consist of the following members, all of whom shall be appointed from the Complaints and Disciplinary Panel:

- (a) 3 public accountants; and
- (b) one lay person.

(2) The Registrar shall designate one member of the Complaints Committee who is a public accountant to be its chairman.

(3) A Complaints Committee may be appointed in connection with one or more matters or for a fixed period of time, as the Registrar thinks fit.

(4) The Registrar may at any time remove the chairman or any member of a Complaints Committee or fill any vacancy in a Complaints Committee.

(5) No act done by or under the authority of a Complaints Committee shall be invalid in consequence of any defect that is

subsequently discovered in the appointment or qualification of the chairman or members or any of them.

(6) A member of a Complaints Committee shall, notwithstanding that he has ceased to be a member of the Complaints and Disciplinary Panel on the expiry of his term of office, continue to be a member of the Complaints Committee until such time as the Complaints Committee has completed its work.

Proceedings of Complaints Committee

45.—(1) A Complaints Committee may meet from time to time for the purposes of its inquiry and may regulate its own procedure.

(2) The chairman of a Complaints Committee may at any time summon a meeting of the Complaints Committee.

(3) The quorum for a meeting of the Complaints Committee shall be constituted by the following persons:

- (a) its chairman;
- (b) one member who is a public accountant; and
- (c) one member who is a lay person.

(4) Any resolution or decision in writing signed by the chairman and all the members of a Complaints Committee shall be as valid and effectual as if it had been made or reached at a meeting of the Complaints Committee where the chairman and all its members were present.

(5) Any question arising at a meeting of the Complaints Committee shall be determined by a majority of votes and, in the case of an equality of votes, the chairman shall have a casting vote.

(6) Where a Complaints Committee is of the opinion that a public accountant, an accounting corporation, an accounting firm or an accounting LLP should be called upon to answer any allegation made against him or it, the chairman of the Complaints Committee shall serve on the public accountant, accounting corporation, accounting firm or accounting LLP —

- (a) copies of the complaint or information against him or it and any statutory declaration or affidavit that has been made in support of the complaint or information; and
 - (b) a notice inviting the public accountant, accounting corporation, accounting firm or accounting LLP, within such period (not being less than 14 days) as may be specified in the notice, to give to the Complaints Committee any written explanation he or it may wish to offer.
- (7) The public accountant, accounting corporation, accounting firm or accounting LLP concerned shall not have the right to be heard by the Complaints Committee, whether in person or by counsel, unless the Complaints Committee in its absolute discretion otherwise allows.
- (8) A Complaints Committee shall inquire into the complaint or information and complete its inquiry not later than 3 months from the date the complaint or information is referred to it.
- (9) Where a Complaints Committee is of the opinion that it will not be able to complete its inquiry within the period specified in subsection (8) due to the complexity of the matter or serious difficulties encountered by the Complaints Committee in conducting its inquiry, the Complaints Committee may apply in writing to the Oversight Committee for an extension of time to complete its inquiry and the Oversight Committee may grant such extension of time to the Complaints Committee as it thinks fit.
- (10) All information, including such book, document, paper or other records used by a Complaints Committee in the course of its deliberations, shall be confidential and shall not be disclosed to any person including the public accountant, accounting corporation, accounting firm or accounting LLP concerned unless the Complaints Committee in its discretion decides otherwise.
- (11) The chairman of the Complaints Committee shall record its proceedings in writing and in sufficient detail to enable the Oversight Committee to follow the course of the proceedings.

Powers of Complaints Committee

46.—(1) For the purposes of any inquiry, a Complaints Committee may —

- (a) call upon or appoint any person the Complaints Committee considers necessary to assist it in its inquiry;
- (b) require any person —
 - (i) to produce any book, document, paper or other record which may be related to or be connected with the subject-matter of the inquiry for inspection by the Complaints Committee or the person appointed under paragraph (a) and for making copies thereof; or
 - (ii) to give all information in relation to any such book, document, paper or other record which may be reasonably required by the Complaints Committee or the person so appointed; and
- (c) require any person to attend at a specified time and place and give evidence or produce any such book, document, paper or record.

(2) Any person who, without lawful excuse, refuses or fails to comply with any requirement of the Complaints Committee under subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a continuing offence, to a further fine not exceeding \$50 for every day or part thereof during which the offence continues after conviction.

(3) Where in the course of its inquiry a Complaints Committee receives any information or evidence relating to the conduct of the public accountant, accounting corporation, accounting firm or accounting LLP concerned which may give rise to further proceedings under this Part, the Complaints Committee may, after giving notice to the public accountant, accounting corporation, accounting firm or accounting LLP concerned, decide on its own motion to inquire into that matter and report its findings to the Oversight Committee.

(4) Where in the course of its inquiry a Complaints Committee receives any information or evidence relating to the conduct of the public accountant, accounting corporation, accounting firm or accounting LLP concerned which discloses an offence under any written law, the Complaints Committee shall record that information in its report to the Oversight Committee.

(5) The Oversight Committee may appoint a legal assessor to advise the Complaints Committee on any matter of law arising in the course of its inquiry.

Findings of Complaints Committee

47. Upon due inquiry into the complaint or information referred to it under this Part, a Complaints Committee shall —

- (a) if it is of the view that no further action should be taken on the complaint or information, dismiss the complaint or information and notify the Oversight Committee, the complainant (if any) and the public accountant, accounting corporation, accounting firm or accounting LLP concerned of the dismissal;
- (b) if it is of the view that the complaint or information is valid but that no formal inquiry is necessary, recommend to the Oversight Committee to do any of the following:
 - (i) order that the public accountant, accounting corporation, accounting firm or accounting LLP concerned be issued with a letter of advice;
 - (ii) order that the public accountant, accounting corporation, accounting firm or accounting LLP concerned be warned;
 - (iii) make such other order as the Complaints Committee considers appropriate; and
- (c) if it is of the view that a formal inquiry is necessary, recommend to the Oversight Committee to constitute a Disciplinary Committee to hold the formal inquiry.

Decision of Oversight Committee

48.—(1) Upon receipt of the findings and recommendation of a Complaints Committee under section 47(b) or (c), the Oversight Committee may either —

- (a) accept the recommendation and make the recommended order;
- (b) refer the matter back to the Complaints Committee for further inquiry; or
- (c) make such other order as the Oversight Committee thinks fit.

(2) The Oversight Committee shall notify the public accountant, accounting corporation, accounting firm or accounting LLP concerned and the person who made the complaint of its decision.

(3) Any public accountant, accounting corporation, accounting firm or accounting LLP who or which is aggrieved by any order of the Oversight Committee, being an order referred to in subsection (1)(c) or section 47(b), may, within 30 days of being notified of the determination of the Oversight Committee, appeal to the Minister whose decision shall be final.

(4) The Minister may make —

- (a) an order affirming the decision of the Oversight Committee;
- (b) an order directing the Oversight Committee to constitute a Disciplinary Committee for a formal inquiry into the matter; or
- (c) such other order as he thinks fit.

(5) Where —

- (a) the Oversight Committee accepts the recommendation of the Complaints Committee under section 47(c); or
- (b) the Minister makes an order under subsection (4)(b),

the Oversight Committee shall appoint a Disciplinary Committee to conduct the formal inquiry.

Constitution of Disciplinary Committee

49.—(1) A Disciplinary Committee shall consist of —

- (a) 4 public accountants; and
- (b) one lay person.

(2) A Disciplinary Committee may be appointed in connection with one or more matters or for a fixed period of time, as the Oversight Committee thinks fit.

(3) The chairman or a member of a Complaints Committee which inquired into any complaint or information shall not be a member of a Disciplinary Committee conducting the formal inquiry into the same complaint or information.

(4) The Oversight Committee shall appoint a member of a Disciplinary Committee who is a public accountant to be the chairman thereof.

(5) The Oversight Committee may at any time revoke the appointment of any Disciplinary Committee or remove any member of a Disciplinary Committee or fill any vacancy in a Disciplinary Committee.

(6) No act done by or under the authority of a Disciplinary Committee shall be invalid in consequence of any defect that is subsequently discovered in the appointment or qualification of the members or any of them.

(7) A member of a Disciplinary Committee shall, notwithstanding that he has ceased to be a member of the Complaints and Disciplinary Panel on the expiry of his term of office, continue to be a member of the Disciplinary Committee until such time as the Disciplinary Committee has completed its work.

Notice of formal inquiry

50.—(1) Before a Disciplinary Committee commences a formal inquiry into any complaint or information referred to it, the Registrar shall serve on the public accountant, accounting corporation, accounting firm or accounting LLP concerned a written notice of the formal inquiry.

(2) A formal inquiry shall not be fixed on a date earlier than 14 days after the date of the notice of formal inquiry except with the agreement of the public accountant, accounting corporation, accounting firm or accounting LLP concerned.

(3) On application to the Disciplinary Committee, the public accountant, accounting corporation, accounting firm or accounting LLP concerned may request postponement of the formal inquiry, and the Disciplinary Committee may, in its discretion, grant the application and postpone the formal inquiry to such date as it may determine, or refuse the application.

Procedure of Disciplinary Committee

51.—(1) A Disciplinary Committee shall meet at such times and places as its chairman may appoint.

(2) All the members of a Disciplinary Committee shall be personally present to constitute a quorum for a meeting of the Disciplinary Committee.

(3) All members of a Disciplinary Committee present at any meeting thereof shall vote on any question arising at the meeting and such question shall be determined by a majority of votes and, in the case of an equality of votes, the chairman shall have a casting vote.

(4) A Disciplinary Committee shall not be bound to act in any formal manner and shall not be bound by the provisions of the Evidence Act (Cap. 97) or by any other written law relating to evidence, but may inform itself on any matter in such manner as it thinks fit.

(5) The Oversight Committee may appoint an advocate and solicitor for the purpose of a formal inquiry (whether to prosecute the complaint or to act as a legal advisor to the Disciplinary Committee) and pay to the advocate and solicitor, as part of the expenses of the Oversight Committee, such remuneration as the Oversight Committee may determine.

(6) At the formal inquiry —

- (a) a public accountant against whom the complaint has been made may appear in person or be represented by counsel; and
- (b) the accounting corporation, accounting firm or accounting LLP against which the complaint has been made may be represented by any of its corporate practitioners or partners or be represented by counsel.

(7) If the public accountant, accounting corporation, accounting firm or accounting LLP concerned does not appear, the Disciplinary Committee may proceed with the formal inquiry after satisfying itself that the notice referred to in section 50 was duly served on him or it.

(8) A Disciplinary Committee may, for the purposes of its formal inquiry, administer an oath or affirmation to any person giving evidence before it, and any party to the proceedings may sue out subpoenas to testify or to produce documents.

(9) The subpoenas referred to in subsection (8) shall be served and may be enforced as if they were subpoenas issued in connection with a civil action in the High Court.

(10) Any person giving evidence before a Disciplinary Committee shall be legally bound to tell the truth.

(11) Persons giving evidence in a formal inquiry shall have the same privileges and immunities in relation to an inquiry as if it was a proceeding in a court of law.

(12) The hearing of a formal inquiry shall not be open to the public.

(13) A Disciplinary Committee shall carry out its work expeditiously and may apply to the Oversight Committee for an extension of time and for directions to be given to the Disciplinary Committee if the Disciplinary Committee fails to make its finding and order within 6 months from the date of its appointment.

(14) When an application for an extension of time has been made under subsection (13), the Oversight Committee may grant an extension of time for such period as it thinks fit.

(15) The Oversight Committee may, where it thinks fit, require a Disciplinary Committee to consider further evidence and meet for that purpose except that the public accountant, accounting corporation, accounting firm or accounting LLP concerned shall be given not less than 14 days' notice of such further meeting of the Disciplinary Committee.

(16) The chairman of the Disciplinary Committee shall record its proceedings in writing and in sufficient detail to enable the Oversight Committee to follow the course of the proceedings.

(17) In sections 172, 173, 174, 175, 177, 179, 182 and 228 of the Penal Code (Cap. 224), "public servant" shall be deemed to include a member of a Disciplinary Committee holding a formal inquiry, and in sections 193 and 228 of the Penal Code, "judicial proceeding" shall be deemed to include such a formal inquiry.

Cancellation of registration, suspension, etc., of public accountants

52.—(1) If, at the conclusion of the formal inquiry, the Disciplinary Committee is satisfied that the public accountant —

- (a) has been convicted in Singapore or elsewhere of any offence involving fraud or dishonesty or moral turpitude;
- (b) has been convicted in Singapore or elsewhere of any offence implying a defect in character which makes him unfit for his profession;
- (c) has been guilty of such improper or dishonourable conduct in the discharge of his professional duty or such improper or dishonourable conduct which, in the opinion of the Disciplinary Committee, renders him unfit to be a public accountant or would bring the profession of public accountancy into disrepute;
- (d) has carried on by himself or by any of his employees any trade, business or calling that detracts from the profession of public accountancy or is in any way incompatible with it, or is employed in any such trade, business or calling;

- (e) has, while being a director of an accounting corporation or a partner of an accounting LLP, failed to take reasonable steps to prevent the accounting corporation or accounting LLP from acting in a manner which would warrant the Oversight Committee imposing any order on the accounting corporation or accounting LLP under section 53(2);

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- (f) has rendered public accountancy services as, or purporting to be —

(i) a director of a company which was not an accounting corporation; or

(ii) a partner of a limited liability partnership which was not an accounting LLP,

when the services were rendered;

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- (g) has, while being a director of an accounting corporation or partner of an accounting LLP, practised public accountancy at such a time when the accounting corporation or accounting LLP was not covered by any professional indemnity insurance or was not so covered to the extent required by section 28; or

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- (h) has, while being a director of an accounting corporation, failed to comply with section 29(4),

the Disciplinary Committee shall report its findings to the Oversight Committee and recommend to the Oversight Committee to take any of the actions referred to in subsection (2)(a) to (f).

(2) Upon receiving the report and recommendation of the Disciplinary Committee under subsection (1), the Oversight Committee may —

(a) by order cancel the registration of the public accountant;

(b) by order suspend the public accountant from practice for such period not exceeding 2 years as may be specified in the order;

- (c) by order impose such conditions as are necessary to restrict the practice of the public accountant in such manner as the Oversight Committee thinks fit for a period not exceeding 2 years;
- (d) by order impose on the public accountant a penalty not exceeding \$10,000;
- (e) by writing censure the public accountant;
- (f) by order require the public accountant to give such undertaking as the Oversight Committee thinks fit; or
- (g) make such other order as it thinks just and expedient in the circumstances of the case.

(3) In addition to its powers under subsection (2), the Oversight Committee may order the public accountant concerned to pay to the Authority such sums as it thinks fit in respect of costs and expenses of and incidental to any proceedings against him under this Part and the High Court shall have jurisdiction to tax such costs and any such order for costs shall be enforceable as if it were ordered in connection with a civil action in the High Court.

(4) Where a public accountant in respect of whom an order referred to in subsection (2)(c), (d) or (f) has been made fails to comply with any of the requirements imposed on him by the order or breaches any undertaking given by him pursuant to such order, the Oversight Committee may, if it thinks fit, order —

- (a) that his name be removed from the Register of Public Accountants; or
- (b) that he be suspended from practice for such period not exceeding 12 months as may be specified in the order.

(5) Where the Oversight Committee has made an order referred to in subsection (2)(c), the Oversight Committee may, if it thinks fit having regard to any change in circumstances, by another order revoke the original order or revoke or vary any of the conditions imposed by the original order.

(6) Where the Oversight Committee has, under subsection (5), varied the conditions imposed by an order referred to in

subsection (2)(c), the Registrar shall immediately serve on the public accountant concerned a notice of the variation.

(7) Any penalty referred to in subsection (2)(d) shall be recoverable as a debt due to the Authority from the public accountant concerned.

(8) A decision of the Oversight Committee under subsection (2), (3), (4) or (5) shall not take effect —

- (a) until the expiration of one month from the date on which the decision has been communicated to the public accountant concerned; or
- (b) where an appeal against the decision is made to the High Court under section 54, until the appeal has been determined or withdrawn.

(9) While any public accountant remains suspended, he shall be deemed not to be registered as a public accountant under this Act but immediately upon the expiry of his period of suspension, his rights and privileges as a public accountant shall immediately be revived.

(10) For the purposes of subsection (1)(e), a public accountant shall be deemed to have taken reasonable steps to prevent the doing of any act by any accounting corporation or accounting LLP if he satisfies the Disciplinary Committee that the act was done without his knowledge and that —

- (a) he was not in a position to influence the conduct of the accounting corporation or accounting LLP in relation to its action; or
- (b) he, being a director of the accounting corporation or a partner of the accounting LLP, exercised all due diligence to prevent the accounting corporation or accounting LLP from so acting.

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(11) In this section, references to acts done by an accounting corporation or an accounting LLP include references to omissions and to a series of acts or omissions to act.

Revocation of approval, etc., of accounting corporations, accounting firms and accounting LLPs

53.—(1) If, at the conclusion of a formal inquiry, the Disciplinary Committee is satisfied that —

- (a) an accounting corporation or any of its directors, an accounting firm or any of the partners therein, or an accounting LLP or any of the partners therein, has falsified or caused to be falsified any document, or has made or caused to be made any statement which is material and which the accounting corporation, accounting firm, accounting LLP, director or partner (as the case may be) knows is false or does not believe to be true in relation to any document;

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- (b) an accounting corporation, accounting firm or accounting LLP has done or omitted to do something which, if done or omitted to be done by a public accountant, would be regarded as being improper or dishonourable conduct that would bring the profession of public accountancy into disrepute;
- (c) an accounting corporation, accounting firm or accounting LLP has carried on by itself or by any of its employees any trade, business or calling that detracts from the profession of public accountancy or is in any way incompatible with it, or is employed in any such trade, business or calling;
- (d) an accounting corporation, accounting firm or accounting LLP has rendered any public accountancy services under a name other than the name approved under section 19;
- (e) an accounting corporation or accounting LLP has provided public accountancy services without being covered by professional indemnity insurance at all or to the extent required by section 28; or
- (f) an accounting corporation has contravened or failed to comply with the requirements for accounting corporations in section 26, 27 or 29 or in any of the rules,

the Disciplinary Committee shall report its findings to the Oversight Committee and recommend to the Oversight Committee to take any of the actions referred to in subsection (2) (a) to (f).

(2) Upon receiving the report and recommendation of the Disciplinary Committee under subsection (1), the Oversight Committee may —

- (a) by order revoke the approval granted to the accounting corporation, accounting firm or accounting LLP under Part IV;
- (b) by order suspend the accounting corporation, accounting firm or accounting LLP from providing public accountancy services for such period not exceeding 2 years as may be specified in the order;
- (c) by order impose such conditions as are necessary to restrict the provision of public accountancy services by the accounting corporation, accounting firm or accounting LLP in such manner as the Oversight Committee thinks fit for a period not exceeding 2 years;
- (d) by order impose on the accounting corporation, accounting firm or accounting LLP a penalty not exceeding \$100,000;
- (e) by writing censure the accounting corporation, accounting firm or accounting LLP;
- (f) by order require the accounting corporation, accounting firm or accounting LLP to give such undertaking as the Disciplinary Committee thinks fit; or
- (g) make such other order as it thinks just and expedient in the circumstances of the case.

(3) In addition to its powers under subsection (2), the Oversight Committee may order the accounting corporation, accounting firm or accounting LLP concerned to pay to the Authority such sums as it thinks fit in respect of costs and expenses of and incidental to any proceedings against the accounting corporation, accounting firm or accounting LLP under this Part and the High Court shall have jurisdiction to tax such costs and any such order for costs shall be

enforceable as if it were ordered in connection with a civil action in the High Court.

(4) Where an accounting corporation, accounting firm or accounting LLP in respect of which an order referred to in subsection (2) (c), (d) or (f) has been made fails to comply with any of the requirements imposed on it by the order or breaches any undertaking given by it pursuant to such order, the Oversight Committee may, if it thinks fit —

- (a) by order revoke the approval granted to the accounting corporation, accounting firm or accounting LLP under Part IV; or
- (b) by order suspend the accounting corporation, accounting firm or accounting LLP from providing public accountancy services for such period not exceeding 12 months as may be specified in the order.

(5) Where the Oversight Committee has made an order referred to in subsection (2) (c), the Oversight Committee may, if it thinks fit having regard to any change in circumstances, by another order revoke the original order or revoke or vary any of the conditions imposed by the original order.

(6) Where the Oversight Committee has, under subsection (5), varied the conditions imposed by an order referred to in subsection (2) (c), the Registrar shall immediately serve on the accounting corporation, accounting firm or accounting LLP concerned a notice of the variation.

(7) Any penalty referred to in subsection (2) (d) shall be recoverable as a debt due to the Authority from the accounting corporation, accounting firm or accounting LLP concerned.

(8) A decision by the Oversight Committee under subsection (2), (3), (4) or (5) shall not take effect —

- (a) until the expiration of one month from the date on which the decision has been communicated to the accounting corporation, accounting firm or accounting LLP concerned; or

- (b) where an appeal against the decision is made to the High Court under section 54, until the appeal has been determined or withdrawn.

(9) While any accounting corporation, accounting firm or accounting LLP remains suspended from providing public accountancy services, it shall be deemed not to be approved as an accounting corporation, accounting firm or accounting LLP under this Act but immediately upon the expiry of the period of suspension, its rights and privileges as an accounting corporation, accounting firm or accounting LLP shall be revived.

Appeal against disciplinary orders of Oversight Committee

54.—(1) Any public accountant, accounting corporation, accounting firm or accounting LLP who or which is aggrieved with any decision made by the Oversight Committee under section 52 or 53 may appeal to the High Court within a period of 30 days (or such further period as the Oversight Committee may allow on application in any particular case) after the service of the decision of the Oversight Committee on the public accountant, accounting corporation, accounting firm or accounting LLP, as the case may be.

(2) The decision of the High Court on an appeal under subsection (1) shall be final.

PART VII

MISCELLANEOUS

Reinstatement to Register

55.—(1) Where —

- (a) the registration of a public accountant has been cancelled under Part V or VI and his name and particulars removed from the Register of Public Accountants; or
- (b) the approval granted to an accounting corporation, accounting firm or accounting LLP under Part IV is revoked under Part VI and its name and particulars removed from the Register of Public Accounting

Corporations, the Register of Public Accounting Firms or the Register of Public Accounting Limited Liability Partnerships,

the public accountant, accounting corporation, accounting firm or accounting LLP concerned shall, if his or its appeal to the High Court is allowed, be immediately reinstated to the Register of Public Accountants, the Register of Public Accounting Corporations, the Register of Public Accounting Firms or the Register of Public Accounting Limited Liability Partnerships, as the case may be, without payment of any fee.

(2) The Oversight Committee may, in its discretion, after the expiration of not less than 2 years from the cancellation of the registration of any public accountant or the revocation of the approval granted under Part IV to an accounting corporation, accounting firm or accounting LLP, consider any fresh application for registration or approval by such public accountant, accounting corporation, accounting firm or accounting LLP.

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Holding out as public accountant, accounting corporation, accounting firm or accounting LLP

56.—(1) A person who is not registered as a public accountant under this Act shall not —

- (a) practise as a public accountant;
- (b) hold himself out to be a public accountant; or
- (c) use in connection with his name or otherwise assume, use, or advertise any title or description tending to convey the impression that he is a public accountant registered under this Act, or that he is otherwise authorised to provide public accountancy services in Singapore.

(2) Subject to subsection (3A), a body corporate which is not approved as an accounting corporation under this Act shall not —

- (a) provide public accountancy services in Singapore;

- (b) advertise or hold itself out or describe itself in any way to be an accounting corporation or to be authorised to provide public accountancy services in Singapore; or
 - (c) use in connection with its name, or with the name under which it carries on business, the words “Public Accounting Corporation”, or any abbreviation or derivative thereof, or use at the end of such name the acronym “PAC”, or any combination of such acronym, words, abbreviation or derivative.
- (3) A partnership or any other unincorporated body which is not approved as an accounting firm under this Act shall not —
- (a) provide public accountancy services in Singapore; or
 - (b) advertise or hold itself out or describe itself in any way to be an accounting firm or to be authorised to provide public accountancy services in Singapore.
- (3A) A limited liability partnership which is not approved as an accounting LLP under this Act shall not —
- (a) provide public accountancy services in Singapore; or
 - (b) advertise or hold itself out or describe itself in any way to be an accounting LLP or to be authorised to provide public accountancy services in Singapore.
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- (4) The Authority may exempt any person from all or any of the provisions of subsection (1), (2), (3) or (3A).
- (5) Any person who contravenes subsection (1), (2), (3) or (3A) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a second or subsequent conviction, to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 2 years or to both.

Remuneration for services rendered

57.—(1) Subject to this Act, no person shall be entitled to recover any expenses or remuneration for or in respect of any public

accountancy services rendered or provided unless the person rendering or providing such services is —

- (a) a public accountant;
- (b) an accounting corporation;
- (c) an accounting firm; or
- (d) an accounting LLP.

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(2) Subsection (1) shall not apply to —

- (a) the Auditor-General or any public officer authorised by him; or
- (b) any public officer or any officer of any statutory authority authorised by the Minister in the exercise of their powers or in the performance of their official duties.

(3) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 12 months or to both and, in the case of a second or subsequent conviction, to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 2 years or to both.

Fraudulent practices in relation to registration

58. Any person who —

- (a) procures or attempts to procure —
 - (i) approval as an accounting corporation, accounting firm or accounting LLP under this Act; or
 - (ii) registration or a certificate of registration as a public accountant under this Act,

by knowingly making or producing or causing to be made any false or fraudulent declaration, certificate, application or representation, whether in writing or otherwise;

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- (b) wilfully makes or causes to be made any falsification in the Register of Public Accountants, the Register of Public

Accounting Corporations, the Register of Public Accounting Firms or the Register of Public Accounting Limited Liability Partnerships;

- (c) forges, alters or counterfeits any certificate of registration as a public accountant issued under this Act;
- (d) uses any forged, altered or counterfeit certificate of registration as a public accountant under this Act knowing the certificate to have been forged, altered or counterfeited; or
- (e) personates or falsely represents himself to be a public accountant or buys, sells or fraudulently obtains a certificate of registration as a public accountant issued under this Act,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 6 months or to both.

Restrictions on employing disqualified persons

59.—(1) No public accountant shall in connection with his practice as such, and no accounting corporation, accounting firm or accounting LLP shall in connection with its business of providing public accountancy services, without the consent of the Oversight Committee, employ or remunerate any person who to his or its knowledge —

- (a) is an undischarged bankrupt;
- (b) has had his registration as a public accountant suspended or cancelled under Part V or VI; or
- (c) has been convicted of an offence by a court of law and sentenced to imprisonment for a term of not less than 12 months or to a fine of not less than \$5,000.

(2) On application made by any person, the Oversight Committee may make an order directing that, as from the date to be specified in the order, no public accountant shall in connection with his practice as such, or no accounting corporation, accounting firm or accounting LLP shall in connection with its provision of public accountancy

services, as the case may be, employ or remunerate any person, the subject of the application, who —

- (a) has been a party to any act or default of a public accountant in respect of which a complaint has been or might properly have been made against that public accountant under the provisions of this Act; or
- (b) has so conducted himself while employed by a public accountant that, had he himself been a public accountant, his conduct might have formed the subject of a complaint under the provisions of this Act against him.

(3) Every application under subsection (2) shall be served upon the person in respect of whom it is made and upon his employer or previous employer if his employer or previous employer is a public accountant, an accounting corporation, an accounting firm or an accounting LLP, not less than 10 days before the application is to be heard.

(4) Every order made under subsection (2) shall be filed in a file kept for this purpose by the Registrar and such file may be inspected by any public accountant, accounting corporation, accounting firm or accounting LLP without fee.

(5) Disciplinary proceedings may be taken against any public accountant, accounting corporation, accounting firm or accounting LLP who or which contravenes subsection (1) or fails to comply with an order made under subsection (2).

Offences committed by bodies corporate, etc.

60.—(1) Where an offence under this Act which has been committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, a director, partner, manager, secretary or any similar officer of the body corporate, or any person who was purporting to act in any such capacity, he, as well as the body corporate, shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(2) Where the affairs of a body corporate are managed by its members, subsection (1) shall apply in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.

(3) Proceedings for an offence under this Act alleged to have been committed by a partnership shall be brought in the name of the partnership and not in that of the partners; but without prejudice to any liability of the partners under subsection (5).

(4) A fine imposed on a partnership on its conviction in such proceedings shall be paid out of the partnership assets.

(5) Where a partnership is guilty of an offence under this Act, every partner, other than a partner who is proved to have been ignorant of or to have attempted to prevent the commission of the offence, shall also be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Jurisdiction of District Court

61. Notwithstanding any provision to the contrary in the Criminal Procedure Code (Cap. 68), a District Court shall have jurisdiction to try any offence under this Act and shall have power to impose the full penalty or punishment in respect of the offence.

Composition of offences

62.—(1) The Oversight Committee or any officer of the Authority who is authorised by the Oversight Committee in that behalf may, in its or his discretion, compound any offence under this Act which is prescribed as a compoundable offence by collecting from a person reasonably suspected of having committed the offence a sum of money not exceeding \$1,000.

(2) On payment of such sum of money, no further proceedings shall be taken against such person in respect of the offence.

Protection from personal liability

63. No suit or other legal proceedings shall lie personally against any person who is a member of a Complaints Committee or a Disciplinary Committee for anything which is in good faith done or

intended to be done in the execution or purported execution of this Act.

Rules

64.—(1) The Authority may, with the approval of the Minister, make rules to give effect to this Act.

(2) Without prejudice to the generality of subsection (1), the Authority may, with the approval of the Minister, make rules —

- (a) to provide for the manner in which applications for registration or approval may be made under this Act;
- (b) to prescribe the fees payable for the purposes of this Act;
- (c) to prescribe the qualifications and other requirements for the registration of public accountants under this Act;
- (d) to provide for the classification of public accountants;
- (e) to prescribe the standards, methods, procedures and other requirements to be applied by public accountants when providing public accountancy services;
- (f) to prescribe the code of professional conduct and ethics of public accountants, accounting corporations, accounting firms and accounting LLPs;
- (g) to provide for matters relating to the discipline of public accountants;
- (h) to impose restrictions on persons or classes of persons who may become officers of an accounting corporation, accounting firm or accounting LLP;
- (i) to provide for the exemption of any persons or classes of persons from any provision of Part III or IV; and
- (j) to prescribe anything which may be prescribed or is required to be prescribed under this Act.

(3) In making rules for the purpose of subsection (2)(e) and (f), the Authority may adopt any standard, method, procedure or code of professional conduct or ethics issued or applied by any professional

accountancy body or organisation, whether in Singapore or elsewhere.

PART VIII

SAVINGS AND TRANSITIONAL PROVISIONS

Savings and transitionals for repealed Accountants Act

65.—(1) All acts done before 1st April 2004 by the Public Accountants Board established under Part II of the repealed Accountants Act (Cap. 2, 2001 Ed.)* shall continue to remain valid and applicable as though done by the Authority or the Oversight Committee, until such time as invalidated, revoked, cancelled or otherwise determined by the Authority or the Oversight Committee.

(2) Where anything has been commenced by or on behalf of the Public Accountants Board before 1st April 2004, such thing may be carried on and completed by or under the authority of the Authority or the Oversight Committee.

(3) Any subsidiary legislation made under the repealed Accountants Act and in force immediately before 1st April 2004 shall, so far as it is not inconsistent with the provisions of this Act, continue in force as if made under this Act until it is revoked or repealed by subsidiary legislation made under this Act.

(4) Any notice, order or direction issued or made before 1st April 2004 under the repealed Accountants Act shall be deemed to be a notice, an order or a direction issued or made under this Act.

Savings and transitional provisions for public accountants, accounting corporations and accounting firms

66.—(1) Every person who, immediately before 1st April 2004, was a registered public accountant under the repealed Accountants Act shall be deemed to be a registered public accountant under this Act.

(2) Every company which, immediately before 1st April 2004, was an approved accounting corporation under the repealed Accountants

*The Accountants Act (Cap. 2, 2001 Ed.) was repealed by the Accountants Act 2004 (Act 4 of 2004) with effect from 1st April 2004.

Act shall be deemed to be an approved accounting corporation under this Act.

(3) Every firm which, immediately before 1st April 2004, was providing public accountancy services under a name approved by the Public Accountants Board under the rules made under the repealed Accountants Act shall be deemed to be an approved accounting firm under this Act.

(4) Any certificate of registration issued under the repealed Accountants Act shall be deemed to be a certificate of registration issued under this Act and shall —

- (a) expire on the date on which it would have expired had this Act not been in force; and
- (b) be renewable in accordance with this Act.

Pending disciplinary proceedings

67.—(1) This Act shall not apply to any inquiry, investigation or other proceedings of a disciplinary nature commenced under the repealed Accountants Act before 1st April 2004, and the provisions of the repealed Accountants Act shall, subject to subsection (2)(b), continue to apply to such inquiry, investigation or proceedings as if this Act had not been enacted.

(2) For the purposes of subsection (1) —

- (a) any Inquiry Committee appointed under the repealed Accountants Act shall continue to exist to complete the inquiry, investigation or proceedings, and may take such action or make such order or decision as it could have taken or made under the relevant provisions of the repealed Accountants Act; and
- (b) any action, order or decision that could have been taken or made by the Public Accountants Board under the relevant provisions of the repealed Accountants Act in connection with such inquiry, investigation or proceedings shall be taken or made in like manner by the Oversight Committee, as if a reference to the Public Accountants Board in those

relevant provisions of the repealed Accountants Act were a reference to the Oversight Committee.

(3) Nothing in this section shall be taken as prejudicing section 16 (effect of repeal) of the Interpretation Act (Cap. 1).

Professional misconduct committed before 1st April 2004

68. Where —

- (a) before 1st April 2004, a public accountant or an accounting corporation has committed any professional misconduct; and
- (b) on 1st April 2004, disciplinary proceedings under the repealed Accountants Act have not yet been instituted against the public accountant or accounting corporation for such professional misconduct,

the Oversight Committee may institute disciplinary proceedings under Part VI against the public accountant or accounting corporation for the professional misconduct.

Savings and transitionals for other written laws

69.—(1) In so far as it is necessary for preserving the effect of any written law or document —

- (a) any reference in such written law or document to the repealed Accountants Act shall be construed as a reference to this Act; and
- (b) any reference in such written law or document to a registered public accountant or an approved accounting corporation shall be construed as a reference to a public accountant registered under this Act or an accounting corporation approved under this Act.

(2) The Minister may, by order published in the *Gazette*, repeal or amend any written law which appears to him to be unnecessary having regard to the provisions of this Act or to be inconsistent with any provision of this Act.

Transitional provisions relating to Institute of Certified Public Accountants of Singapore

70.—(1) As from 1st April 2004 —

- (a) all movable and immovable property vested in the Institute of Certified Public Accountants of Singapore (hereafter referred to as the Institute) immediately before that date and all assets, interests, rights, privileges, liabilities and obligations of the Institute shall be transferred to and shall vest in its successor company without any further assurance, act or deed;
- (b) all persons employed immediately before that date by the Institute shall be transferred to the service of its successor company on terms no less favourable than those enjoyed by them immediately prior to their transfer;
- (c) all deeds, contracts, schemes, bonds, agreements, instruments and arrangements subsisting immediately before that date to which the Institute is a party shall continue in force and shall be enforceable by or against its successor company as if the successor company had been named therein or had been a party thereto instead of the Institute;
- (d) every person who, immediately before that date, was the President, the Vice-President, the Treasurer or a member of the Council of the Institute shall hold office for a period of not more than 6 months therefrom in such capacity in the interim governing committee (by whatever name called) of the Institute's successor society, until such time as elections are held in accordance with the rules of the successor society to elect a governing committee for the successor society; and
- (e) all persons who, immediately before that date, were members of the Institute shall become professional members of its successor society, in accordance with such classes of professional membership as may be determined by the successor society.

(2) Where, on 1st April 2004, any disciplinary proceedings were pending against any member of the Institute who had become a member of its successor society by virtue of subsection (1)(e), the proceedings may be carried on and completed by the successor society; but where on that date any matter was in the course of being heard or investigated or had been heard and investigated by a committee acting under due authority but no order or decision had been rendered thereon, the committee shall complete the hearing or investigation and make such order, ruling or direction as it could have made or given under the authority vested in it before that date.

(3) For the purpose of subsection (2), any ruling, order or direction made or given by a committee under that subsection shall be treated as an order, a ruling or a direction of the successor society and have the same force and effect as if it had been made by the successor society.

(4) In this section —

“Institute of Certified Public Accountants of Singapore” means the former Institute of Certified Public Accountants of Singapore established under Part VI of the repealed Accountants Act;

“successor company”, in relation to the Institute of Certified Public Accountants of Singapore, means the company incorporated by the successor society of the Institute under the Companies Act (Cap. 50) and designated by the Minister, by notification in the *Gazette*, to be the successor company of the Institute for the purposes of subsection (1)(a), (b) and (c);

“successor society”, in relation to the Institute of Certified Public Accountants of Singapore, means the society registered under the Societies Act (Cap. 311) that is designated by the Minister, by notification in the *Gazette*, to be the society succeeding to the functions of the Institute as a professional accountancy body.

THE SCHEDULE

Section 4(4) and (5)

CONSTITUTION AND PROCEEDINGS OF OVERSIGHT COMMITTEE**Appointment of Chairman**

1. The Chairman of the Oversight Committee shall be appointed by the Authority from among its members.

Temporary Chairman

2. The Authority may appoint any member of the Oversight Committee to be a temporary Chairman whenever the Chairman is unable to discharge his functions because of absence from Singapore or incapacity from illness or otherwise.

Revocation of appointment

3. The Authority may, at any time, revoke the appointment of any member of the Oversight Committee and, in exercising its power under this paragraph, the Authority shall not be required to assign any reason for such revocation.

Tenure of office of appointed member

4. A member of the Oversight Committee, unless he resigns during his term of office, shall hold office for a period not exceeding 3 years and shall be eligible for reappointment on completion of that period.

Filling of vacancies

5. If an appointed member resigns, dies or has his appointment revoked before the expiry of the term for which he has been appointed, the Authority may appoint a person to fill the vacancy in the manner in which the appointment to the vacant office was made and every person so appointed shall hold office for the residue of the term for which his predecessor was appointed.

Oversight Committee may act notwithstanding vacancy

6. The Oversight Committee may act notwithstanding any vacancy in its membership.

Meetings of Oversight Committee

7.—(1) The Oversight Committee shall meet for the despatch of business at such times and places as the Chairman may from time to time appoint.

(2) At any meeting of the Oversight Committee, 3 members shall form a quorum.

THE SCHEDULE — *continued*

(3) The Chairman shall preside at all meetings of the Oversight Committee and in his absence, the temporary Chairman shall preside at the meeting.

(4) All questions arising at any meeting shall be decided by a majority of the votes of the members present and voting; except that in the case of an equality of votes, the Chairman or temporary Chairman shall have a casting vote.

(5) Subject to the provisions of this Act, the Oversight Committee may regulate its own procedure generally and, in particular, regarding the holding of meetings, the notice to be given of such meetings, the proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.

Common seal and execution of documents

8.—(1) The Oversight Committee shall have a common seal and such seal may, from time to time, be broken, changed, altered and made anew as the Oversight Committee thinks fit.

(2) The common seal shall be kept in the custody of the Chairman and shall be authenticated by the Chairman or by the temporary Chairman in the absence of the Chairman.

(3) Any document purporting to be sealed with the common seal and so authenticated shall, until the contrary is proved, be deemed to be validly executed.

LEGISLATIVE SOURCE KEY

ACCOUNTANTS ACT

(CHAPTER 2)

Unless otherwise stated, the abbreviation used in the cross-references are references to the Singapore Accountants Act (Cap. 2, 2001 Revised Edition). The references are provided for convenience and are not part of the Act.

LEGISLATIVE HISTORY
ACCOUNTANTS ACT
(CHAPTER 2)

This Legislative History is provided for the convenience of users of the Accountants Act. It is not part of this Act.

1. Act 4 of 2004 — Accountants Act 2004

Date of First Reading	:	5 January 2004 (Bill No. 2/2004 published on 6 January 2004)
Date of Second and Third Readings	:	6 February 2004
Date of commencement	:	1 April 2004

2. Act 28 of 2004 — Statutes (Miscellaneous Amendments) (No. 2) Act 2004

Date of First Reading	:	15 June 2004 (Bill No. 27/2004 published on 16 June 2004)
Date of Second and Third Readings	:	20 July 2004
Date of commencement	:	1 September 2004 (except section 3)

3. 2005 Revised Edition — Accountants Act

Date of operation	:	31 July 2005
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4. Act 42 of 2005 — Statutes (Miscellaneous Amendments) (No. 2) Act 2005

Date of First Reading	:	17 October 2005 (Bill No. 30/2005 published on 18 October 2005)
Date of Second and Third Readings	:	21 November 2005
Dates of commencement	:	1 January 2006 (item (2) of the Fifth Schedule)

5. Act 11 of 2006 — Accountants (Amendment) Act 2006

Date of First Reading	:	17 January 2006 (Bill No. 4/2006 published on 18 January 2006)
Date of Second and Third Readings	:	14 February 2006
Date of commencement	:	6 October 2006

6. Act 5 of 2013 — Singapore Accountancy Commission Act 2013
(Consequential amendments made to Act by)

Date of First Reading	:	15 November 2012 (Bill No. 40/2012 published on 15 November 2012)
Date of Second and Third Readings	:	15 January 2013
Date of commencement	:	1 April 2013