

A

BILL

further to amend the Cost and Management accountants Act, 1966

WHEREAS it is expedient further to amend the Cost and Management Accountants Act, 1966 (XIV of 1966), for the purposes hereinafter appearing;

It is hereby enacted as follows:-

1. Short title and commencement.- (1) This Act may be called the Cost and Management Accountants (Amendment) Act, 2015.

2. It shall come into force at once.

2. **Amendment of long title, Act XIV of 1966.-** In the Cost and Management Accountants Act, 1966 (XIV of 1966), hereinafter referred to as the said Act, in the long title, for the words "cost and management accountants", the words "chartered management accountants and certified cost accountants" shall be substituted.

3. **Amendment of preamble, Act XIV of 1966.-** In the said Act, in the preamble, in the first paragraph, for the words "cost and management accountants", the words "chartered management accountants and certified cost accountants" shall be substituted.

4. **Amendment of section 2, Act XIV of 1966.-** In the said Act, in section 2,-

(a) In subsection (1),-

(i) After clause (a), the following new clause (ab) shall be inserted, namely:-

“(ab) “certified cost accountant” means an associate or a fellow member of the Institute who has obtained the additional qualification required under this Act and the regulations made thereunder;” and

(ii) in clause (aa), for the words “cost and”, the word “chartered” shall be substituted; and

(b) in subsection (2), for the words “cost and”, wherever occurring, the word “chartered” shall be substituted.

5. **Amendment of section 7, Act XIV of 1966.**- In the said Act, in section 7,-

(a) in the marginal note, for the words “Cost and”, the word “Chartered” shall be substituted; and

(b) for the words “Cost and”, occurring thrice, the word “Chartered” shall be substituted.

6. **Insertion of section 7A, Act XIV of 1966.**- In the said Act, after section 7, the following new section 7A shall be inserted, namely:-

“7A. Certified Cost Accountant.- A member of the Institute, whether in practice or otherwise, who has fulfilled the requirements of examination and training or thesis and practical experience or any combination of the above, as may be prescribed for this purpose by the Council for specific sectors of the economy, shall be entitled to use the designation of certified cost accountant for the said sectors of the economy and shall be entitled to use the letters C.C.A. after his name, in addition to any other letters he may be authorized to use, to indicate that he is a certified cost accountant.

(2) Where a member of the Institute describes himself as a certified cost accountant or uses the letters C.C.A after his name, he shall also specify the sectors of the economy in which he has been certified.

(3) The Council shall prescribe the qualifications and other requirements for the purposes of this section”.

7. **Amendment of section 21, Act XIV of 1966.**- In the said Act, in section 21,-

(a) for clause (1), the following shall be substituted, namely:-

“(1) not being a member of the Institute, represents that he is a member of that Institute, or uses the designations provided under this Act, or the letters A.C.M.A., F.C.M.A., C.C.A.”; and

(b) in clause (2), for the words “cost and”, occurring twice, the word “chartered” shall be substituted.

8. **Amendment of section 22, Act XIV of 1966.**- In the said Act, in section 22, in sub-section (1), in clause (b), for the words “cost and”, the word “chartered” shall be substituted.

9. **Amendment of section 23, Act XIV of 1966.**- In the said Act, in section 23, in the marginal note, for the words “cost and”, the word “chartered” shall be substituted.

10. **Amendment of section 24, Act XIV of 1966.**- In the said Act, in section 24, in sub-section (1), for the words “cost and”, occurring twice, the word “chartered” shall be substituted.

11. **Amendment of section 32, Act XIV of 1966.-** In the said Act, in section 32, for the words "cost and", wherever occurring, the word "chartered" shall be substituted.

12. **Amendment of section 33, Act XIV of 1966.-** In the said Act, in section 33, for the words "cost and", occurring thrice, the word "chartered" shall be substituted.

13. **Amendment of section 34, Act XIV of 1966.-** In the said Act, in section 34, in sub-section (2), in clause (m), for the words "cost and", the word "chartered" shall be substituted.

STATEMENT OF OBJECTS AND REASONS

The Institute of Cost and Management Accounts of Pakistan (the Institute) was established in terms of section 3 through Cost and Management Accountants Act, 1966 (the Act) and as per section 7 of the Act members of the Institute are designated as "Cost and Management Accountants". Since 1966, internationally the accountancy professional standards have changed and the accountants formerly known as "Cost and Management Accountants" are today recognized as "Chartered Management Accountants". As a consequence thereof, Pakistani expertise and skill faces hindrances and a recognition problem as members of the Institute are still designated as "Cost and Management Accountants".

Furthermore, the expertise of the members of the Institute in cost accounting can be utilized by allowing sector / industry specific specialization in cost accounting necessitating introduction of enabling provisions under the Act authorizing Institute to offer certification in cost accounting for specific sectors of the economy / industry.

In order to achieve the aforesaid objects it is necessary to amend the Cost and Management Accountants Act, 1966 so as to change the designation of "Cost and Management Accounts" to "Chartered Management Accountants" and to enable the Institute to provide optimal specialized certification in cost accounting in Specific Sectors of the economy, hence the Bill.

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