



**AN ACT TO ESTABLISH THE ZANZIBAR INSTITUTE OF ACCOUNTANTS,  
AUDITORS AND TAX CONSULTANTS AND OTHER  
MATTERS CONNECTED THEREWITH**

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ACT NO. 7 OF 2022

I ASSENT

  
{DR. HUSSEIN ALI MWINYI}  
PRESIDENT OF ZANZIBAR AND CHAIRMAN OF  
THE REVOLUTIONARY COUNCIL

.....6/10/....., 2022

**AN ACT TO ESTABLISH THE ZANZIBAR INSTITUTE OF ACCOUNTANTS,  
AUDITORS AND TAX CONSULTANTS AND OTHER  
MATTERS CONNECTED THEREWITH**

**ENACTED** by the House of Representatives of Zanzibar.

**PART ONE  
PRELIMINARY PROVISIONS**

Short title  
and  
commen-  
cement.

1. This Act may be cited as the Zanzibar Institute of Accountants, Auditors and Tax Consultants, 2022 and shall come into operation after being assented to by the President and published in the official Gazette.

Interpretation.

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

“Accountant” means a person registered by the Institute as a certified public accountant to perform accountancy functions;

“Accountant General” has the meaning as defined in the Public Finance Management Act;

“Associate Accountant” means a professional accountant grade three registered by the Institute having met the conditions stipulated under this Act;



“Audit” means an assurance engagement in which the objective is a reduction in assurance risk to an acceptably low level in the circumstances of the engagement as the basis for a positive form of expression of the practitioner’s conclusion;

“Auditor” means a person registered as an Associate Accountant in public practice authorized to review, examine the financial statements and provide audit opinion under the provisions of this Act;

“Auditing Standards” means the standards issued or adopted by the Institute which a registered auditor shall comply with while performing auditing;

“Practicing firm” means a firm which provides audit or tax consultancy services under the provisions of this Act;

“Board” means the Board of Directors of the Institute established under the provisions of this Act;

“Code of Professional Conduct and Ethics” means the Code of Professional Conduct and Ethics established under the provisions of this Act or adopted by the Institute in accordance with international requirements;

“Executive Director” means the Executive Director of the Institute appointed in accordance with the provisions of this Act;

“Financial year” has the meaning as defined in the Public Finance Management Act;

“Government” means the Revolutionary Government of Zanzibar;

“Institute” means the Zanzibar Institute of Accountants, Auditors and Tax Consultants established under the provisions of this Act;

“Licensed person” means an individual or a firm which has been issued a license in accordance with the provisions of this Act;

“Member of the Institute” means accountants, auditors and tax consultants be as an individual person or a registered practicing firm;

“Minister” means the Minister responsible for Finance;

“Registrar” means the registrar of members of the Institute;



“Registered professional firm” means a firm legally registered under the provisions of this Act to provide professional services of accounting, auditing and tax consultancy;

“Tax Consultant” means an individual person who is registered and licensed under the provisions of this Act

## **PART TWO ESTABLISHMENT OF THE INSTITUTE**

Establishment of the Institute.

**3.**-(1) There is hereby established an Institute to be known as Zanzibar Institute of Accountants, Auditors and Tax Consultants.

(2) The Institute shall be a body corporate with perpetual succession and common seal, and by its corporate name be capable of:

- (a) suing and being sued;
- (b) acquiring, holding, purchasing or disposing any movable or immovable property;
- (c) entering into any contract or any transaction subject to the laws;
- (d) borrowing any sum of money from any financial institution in accordance with the provisions of the Public Finance Management Act; and
- (e) performing or doing any act or thing which the body corporate may, by law, be entitled to perform or do.

Seal and logo of the Institute.

**4.**-(1) There shall be seal and logo of the Institute in a shape and size as may be determined by the Board.

(2) The application of the seal and logo of the Institute on any document shall be authenticated by the signature of the Executive Director or any other officer of the Institute authorized by him.

(3) Any document purporting to be an instrument issued by the Institute shall be sealed with the seal of the Institute and authenticated in accordance with provisions of subsection (2) of this section.



The objectives of the Institute.

**5. The objectives of the Institute shall be to:**

- (a) enhance quality of services offered by members of the Institute;
- (b) ensure attainment, maintenance and development of professional competences; and
- (c) promote knowledge and the highest standards of professional and business conduct and ensure ethical members of the Institute in public and private sectors.

Functions of the Institute.

**6. The Institute shall:**

- (a) establish and review a Code of Professional Conduct and Ethics for:
  - (i) Professional Accountants and Auditors which shall be consistent with the fundamental principles of International Federation of Accountants' Code of Professional Conduct and Ethics; and
  - (ii) Tax Consultants;
- (b) ensure the members of the Institute maintain their professional standards;
- (c) ensure provision of quality services for professional members of the Institute;
- (d) issue and adopt International Acceptable Financial and Auditing Standards to promote their usage and make suitable adaptation where necessary;
- (e) register members of the Institute;
- (f) publish, keep and maintain the register of all members of the Institute;
- (g) regulate, conduct and supervise continuing professional educational programmes and require any person registered under this Act to follow such programmes;
- (h) issue certificates, licenses and notices required to be issued under this Act;



- (i) establish or promote research and Institute journal for publication on the subjects relating to accountancy, auditing, taxation and other related matters;
- (j) set and regulate fees structure payable by the members of the Institute;
- (k) promote the international recognition of the Institute;
- (l) supervise and regulate training conducted by the tuition providers;
- (m) foster collaboration between the Institute and other institutions dealing with accounting, auditing and tax consultancy services; and
- (n) perform any other functions for the purpose of implementation of the functions under this Act.

Powers of  
the Institute.

7. In the performance of its functions, the Institute shall have the powers to:

- (a) investigate or inquire either on its own initiative or at the request of any person for any claim submitted where a breach, wrongdoing, mismanagement or collusion has been alleged, reported or proven against members of the Institute;
- (b) summon witnesses, call for production of books of accounts, documents and examine witnesses and parties concerned;
- (c) inspect and examine assignments of members of the Institute for quality review;
- (d) require any information to the activities in relation to members of the Institute;
- (e) impose sanctions including cancellation, suspension or revocation of any certificate of registration and license issued under this Act;
- (f) enter into mutual agreements with national, regional and international professional bodies;
- (g) inquire into any written complaint made against any Member of the Institute, either on its own initiative or at the request of any person; and





- (h) impose disciplinary actions for any breach of the Code of Professional Conduct and Ethics.

### **PART THREE THE BOARD OF DIRECTORS**

Establishment and composition of the Board.

**8.**-(1) There is hereby established a Board to be known as the Board of Directors of the Institute.

(2) The Board shall be composed of:

- (a) Chairperson who shall be appointed by the President;
- (b) Accountant General;
- (c) Executive Director;
- (d) Three members each from the Association dealing with Accountants, Auditors and Tax Consultants; and
- (e) State Attorney from the Attorney General's Chambers.

(3) Save for the Chairperson, Accountant General and Executive Director, other members shall be appointed by the Minister in consultation with the respective institutions based on distribution of gender, knowledge and experience.

Qualifications of Chairperson.

**9.** A person shall qualify to be appointed as a Chairperson if he:

- (a) holds a certificate of Certified Public Accountant or its equivalent;
- (b) has working experience of not less than seven years in the related field; and
- (c) has high integrity.

Vice-Chairperson.

**10.** The members of the Board shall elect one among them to be a Vice-Chairperson of the Board.

Secretary of the Board.

**11.**-(1) The Board shall appoint competent staff who is an employee of the Institute to be a Secretary of the Board.



- (2) The Secretary shall be accountable to the Board, and shall:
- (a) take the accurate minutes of meetings of the Board;
  - (b) maintain the correct and sufficient records of the Board;
  - (c) give proper notifications of the meetings of the Board to the members;
  - (d) provide correct advice to the Board when so needed; and
  - (e) perform any other function as directed by the Board.

Functions of  
the Board.

**12. The Board shall:**

- (a) provide strategic direction to the Institute;
- (b) recruit staff of the Institute in accordance with the provisions of the Public Service Act;
- (c) approve the:
  - (i) qualifications for registration;
  - (ii) registration of members of the Institute;
  - (iii) fees structure payable by the members of the Institute;
  - (iv) budget and financial statements of the Institute;
  - (v) names for issuance of certificates and licenses in accordance with this Act; and
  - (vi) syllabuses and examination results.
- (d) regulate the professional conduct and ethics of the members of the Institute;
- (e) issue guidelines for proper implementation of the provisions of this Act;
- (f) advise regulators of educational institutions on the curriculum of study in accountancy, auditing and taxation;



- (g) advise the public and private institutions on matters of financial accountability and management in all sectors of the economy; and
- (h) perform any other function for the purpose of implementation of the provisions of this Act.

Committees of the Board.

**13.** The Board shall establish Quality Assurance Committee, Examination Committee, Disciplinary Committee and any other committee when it deems necessary.

Tenure of the members of the Board.

**14.** Save for an ex-officio member, the Chairperson and other members of the Board shall hold an office for a term of three years from the date of their appointment and may be eligible for re-appointment for another term only.

Vacancy of the member

**15.** The position of a Member of the Board shall become vacant if:

- (a) is terminated by the Minister;
- (b) resigns or becomes in any manner disqualified from membership of the Board;
- (c) is absent for three consecutive meetings of the Board without the permission of the Chairperson;
- (d) is unable to perform the functions of the Board by reasons of physical or mental health;
- (e) is convicted of a criminal offence involving fraud, dishonesty or moral turpitude; or
- (f) dies.

Meetings of the Board.

**16.**-(1) The Board shall meet ordinarily once in every three months and may meet for the extraordinary meetings at any time when the need arises for discharging of its functions.

(2) All meetings of the Board shall be presided by the Chairperson, in his absence, the Vice-Chairperson shall preside the meetings of the Board and where the Chairperson and Vice Chairperson are absent, the members present shall elect one among them to preside the meeting.



Quorum of the Board.

17. The quorum of all meetings of the Board shall be more than half of its members.

Decisions of the Board.

18. Decisions of the Board shall be made by consensus, where there is no such consensus, the decisions shall be made by votes and where there is equal votes, the Chairperson shall have a casting vote.

Procedures of the meetings.

19. Subject to the provisions of this Act, the Board shall have power to regulate its own procedures in respect of the meetings and the proper conduct of its activities including committees of the Board.

Allowances of the members.

20. The Chairperson and other members of the Board shall be entitled to be paid such allowances in accordance with the Public Service Act and other relevant laws.

Co-opted member.

21. The Board may co-opt any person to attend in any deliberation of the meeting of the Board as an expert but the co-opted member shall have no right to vote.

Disclosure of interest.

22.-(1) Any member of the Board who directly or indirectly has any financial or other interest, in any undertaking of the subject matter which fall to be considered before the Board, shall disclose to the Board the nature of his interest at the beginning of a meeting of the Board.

(2) A disclosure made under subsection (1) of this section, shall be recorded in the minutes of that meeting.

(3) A member who makes a disclosure under subsection (1) of this section, shall not:

(a) be present during any deliberation of the Board with respect to that matter; and

(b) take part in any decision of the Board with respect to that matter.

(4) For purpose of determining whether there is a quorum, a member withdrawing from a meeting or who is not taking part in a meeting under subsection (3) of this section, shall be treated as being present.

(5) A member who fails or refuses to disclose his interest under subsection (1) of this section, shall be guilty of breach of the provisions of the Zanzibar Public Leaders Code of Ethics Act.



Delegation of the functions of the Board.

**23.**-(1) The Board may, if deems fit for the proper discharging of its functions, delegate some of its functions to the Executive Director, a committee or any other staff of the Institute.

(2) Where the Board delegates its functions under subsection (1) of this section, it shall give directives in writing as may be necessary to ensure the proper performance of the functions.

#### **PART FOUR ADMINISTRATION OF THE INSTITUTE**

Appointment of Executive Director.

**24.**-(1) There shall be an Executive Director of the Institute who shall be appointed by the President.

(2) A person shall qualify to be appointed as the Executive Director if he:

- (a) holds a certificate of Certified Public Accountant or its equivalent;
- (b) has working experience of not less than seven years in the field of accounting, auditing, taxation or any other related field; and
- (c) has high integrity.

Functions of the Executive Director.

**25.**-(1) The Executive Director shall be the Chief Executive Officer and be responsible for day to day activities of the Institute.

(2) Without prejudice to the generality of the provisions under subsection (1) of this section, the Executive Director shall:

- (a) manage funds, property and business of the Institute;
- (b) organize, control and supervise staff of the Institute;
- (c) supervise and implement all directives of the Board;
- (d) be custodian of the seal, records and all documents of the Institute; and
- (e) perform any other functions for the purpose of the implementation of the provisions of this Act.



Registrar of  
the Institute.

**26.** The Executive Director shall be the Registrar of the Institute and shall:

- (a) register or deregister members of the Institute;
- (b) keep and maintain records of registered and deregistered members of the Institute;
- (c) issue certificate of registration to the members of the Institute after approval by the Board; and
- (d) publish or cause to be published, within a period of three months after the end of each financial year, a list of registered and deregistered members of the Institute.

Register.

**27.** There shall be a register for members of the Institute on which its details shall be as prescribed in the regulations.

Departments,  
divisions and  
units of the  
Institute.

**28.**-(1) The Institute may establish departments, divisions or units as may deem necessary in accordance with the provisions of the Public Service Act.

(2) The heads of departments shall be appointed by the Board based on the related qualifications and experience.

(3) The heads of divisions or units shall be appointed by the Executive Director based on the related qualifications and experience.

(4) The heads of departments, divisions and units shall be accountable to the Executive Director.

Staff of the  
Institute.

**29.** The Institute shall, with the approval of the Board and subject to the provisions of the Public Service Act, recruit such other staff as may be necessary for the proper performance of the functions of the Institute.

## **PART FIVE PRACTICING LICENCE**

Practicing  
license.

**30.** -(1) There shall be a practicing license issued by the Institute.

(2) Subject to the provisions of subsection (1) of this section, a practicing firm or tuition provider shall not practice unless it holds a valid practicing license issued by the Institute.



(3) The validity of the practicing license shall be for a period of one year from the date of issue and may be renewed upon expiry.

(4) The procedures for application, issuance, renewal, restoration and grounds for termination of a practicing license shall be as prescribed in the regulations.

Restriction of Practicing as an Accountant, Auditor or Tax Consultant.

**31.**-(1) An individual person shall not practice as Accountant, Auditor or Tax Consultant unless he is:

- (a) a partner or associate of a registered practicing firm; or
- (b) an employee in daily operation and registered under this Act.

(2) Public Institution employee working as professional Accountant, Auditor or Tax Consultant is required to be registered.

(3) The professional Accountant, Auditor or Tax Consultant of the Public Institution shall be allowed to practice outside the public institution after the approval of his employer.

(4) An individual person shall not practice as a Tax Consultant, unless he has been engaged within the registered practicing firm.

Restriction for Auditor and Tax Consultant.

**32.** A person shall not hold any appointment or offer any services, as an Auditor or Tax Consultant, unless he holds a valid practicing license issued under this Act.

Unauthorized practice.

**33.** A licensed practicing firm shall not:

- (a) employ a person who has been suspended from practicing as a Certified Public Accountant or Tax Consultant to carry out work in connection with his practice; or
- (b) sign financial statement, tax return or other document which purports to represent work performed by the practicing firm, unless the practicing firm is satisfied and is prepared to take full responsibility for the work done.

Duties and Obligations of Accountants, Auditors and Tax Consultants.

**34.** The duties and obligations of Accountants, Auditors and Tax Consultants shall be prescribed in the regulations.



## PART SIX FINANCIAL PROVISIONS

Funds of the  
Institute.

**35.**-(1) The funds and resources of the Institute shall consist of:

- (a) such sums as may be approved by the House of Representatives in the form of subvention;
- (b) moneys received by the Institute for services rendered by the Institute;
- (c) such lawful grants, gifts, donation, contributions, loans, bequests, or investment as the Institute may receive from any person or organization; and
- (d) any such other moneys that may vest or legally acquired by the Institute whether in the course of its operations or otherwise.

(2) All financial transactions of the Institute shall be made and governed in accordance with the Public Finance Management Act and any other financial law.

Budget of  
the Institute.

**36.**-(1) The Executive Director shall, in respect of every financial year, submit to the Board for deliberation and recommendations on detailed estimates of the income and expenditure for the Institute for the next financial year.

(2) Upon deliberation and recommendation by the Board, the budget of the Institute shall be dealt as part of the budget of the Ministry.

(3) The estimates of income and expenditure of the Institute shall be prepared subject to the provisions of the Public Finance Management Act and any other directives as may be issued by the Government from time to time.

(4) The Executive Director shall ensure that all payments out of the Institute's funds are correctly made and properly authorized and adequate control is maintained over its property and over the incurring of liabilities by the Institute.

Accounts and  
audit.

**37.**-(1) The Institute shall properly keep and maintain books of accounts of the Institute.

(2) The annual financial statements of the Institute shall be audited in accordance with the Public Finance Management Act and other financial laws.





Power to invest.

**38.** The Institute shall have power to invest its funds in accordance with the relevant laws.

## PART SEVEN OFFENCES AND PENALTIES

Offences and penalties.

**39.** A person who:

- (a) obtains certificate of registration or license by providing false or misleading information during process of application;
- (b) practices accountancy, auditing or tax consultancy without being registered, his certificate of registration or license has been canceled, suspended or revoked by the Institute under this Act;
- (c) practices accountancy, auditing or tax consultancy without valid license;
- (d) gives out his registration certificate or license to be used by another person for practicing accountancy, auditing or tax consultancy;
- (e) attempts to use or uses the registration certificate or license of another person;
- (f) practices as a tax consultant without engaging in the practicing firm; or
- (g) violates Codes of Professional Conduct and Ethics,

commits an offence and shall, upon conviction, be liable:

- (a) in the case of an individual person, to a fine of not less than Ten Million Tanzanian Shillings or to imprisonment for a term not exceeding two years or to both; and
- (b) in the case of a practicing firm, to a fine of not less than Ten Million Tanzanian Shillings or ten percent of the firm's gross audit fee, whichever is greater, provided that, the amount charged shall not exceed Thirty Million Tanzanian Shillings.

General penalty.

**40.** A person who contravenes any provisions of this Act, where no specific penalty is provided, commits an offence and upon conviction shall be liable to a fine of not less than Five Million Tanzanian Shillings or imprisonment for a term of one year or both.



## PART EIGHT MISCELLANEOUS PROVISIONS

- Recognition.       **41.**-(1) The Institute shall recognize the practicing firm and all Professional Accountants, Auditors and Tax Consultant who are working in Zanzibar before commencement of this Act.
- (2) Subject to the provisions under subsection (1) of this section, the manners and procedures for recognition shall be prescribed in the regulations.
- Procedures for registration.       **42.** The procedures for application, requirements, categories of registration and other matters relating to registration shall be prescribed in the regulations.
- Complaints about registered members of the Institute.       **43.** Any person may complain to the Institute for the conduct of a registered Member of the Institute in accordance with the procedures prescribed in the regulations.
- Fees and charges.       **44.** The Institute shall impose fees and charges as prescribed in the regulations.
- Appeal.       **45.** A person who is aggrieved by a decision of the Institute may appeal in accordance with the procedures prescribed in the regulations.
- Code of Professional Conduct and Ethics.       **46.** Members of the Institute shall observe Code of Professional Conduct and Ethics as, shall be prescribed under regulations.
- Compliance to Standards.       **47.** Members of the Institute shall ensure that reports on work performed or presented are complying with the standards approved by the Institute.
- Regulations.       **48.** The Minister may make regulations for effective implementation of the provisions of this Act.
- Amendment of the Tax Administration and Procedures Act, No. 7 of 2009.       **49.** Section 62A of the Tax Administration and Procedures Act, No. 7 of 2009 is amended by:
- (a) in subsection (1), deleting the words “by the Commissioner” and substituting them by the words “under the Zanzibar Institute of Accountants, Auditors and Tax Consultants Act”;



(b) repealing subsection (2); and

(c) renumbering subsection (3) to be subsection (2).

Amendment  
of the Public  
Finance  
Management  
Act, No.12  
of 2016.

**50.** Section 19(2) of the Public Finance Management Act, No. 12 of 2016 is hereby repealed.

Saving.

**51.** Notwithstanding the repeal and amendment made under sections 49 and 50 of this Act, anything done under the repealed or amended sections shall continue and be deemed to have been done under the provisions of this Act.

**PASSED** by the House of Representatives of Zanzibar on 8<sup>th</sup> September, 2022.

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(RAYA ISSA MSELLEM)

*Clerk of the House of Representatives of Zanzibar.*