

## **AN ACT TO INCORPORATE THE ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA**

WHEREAS an Association called and known as the Association of Accounting Technicians of Sri Lanka has heretofore been established in Sri Lanka at the initiative of the Institute of Chartered Accountants of Sri Lanka for the purpose of effectively carrying out and transacting all objects and matters connected with the said Association according to the rules agreed to by its members:

AND WHEREAS the said Association has heretofore successfully carried out and transacted the several objects and matters for which it was established and has applied to be incorporated and it will be for the public advantage to grant the application:

Be it therefore enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:-

### **Short Title**

1. This Act may be cited as the Association of Accounting Technicians of Sri Lanka (Incorporation) Act, No. .... of 2011.

### **Incorporation of the Association of Accounting Technicians of Sri Lanka**

2. From and after the date of commencement of this Act, such and so many persons as now are members of the Association of Accounting Technicians of Sri Lanka (hereinafter referred to as "The Association") or shall hereafter be admitted as members of the Corporation hereby constituted, shall be a body corporate (hereinafter referred to as "The Corporation") with perpetual succession under the name and style of "the Association of Accounting Technicians of Sri Lanka" and by that name may sue and be sued in all courts, with full power and authority to have and use a common seal and alter the same at its pleasure.

3. **Main object and the subsidiary objectives of the Corporation**

#### **Main Object**

The Main object for which the Corporation is constituted is to produce Accounting Technicians capable of serving public interest, by becoming a part of financial reporting value chain

## **Subsidiary Objects**

1. To promote the interests, welfare, rights and privileges of the profession of Accounting Technicians.
2. To provide education and Training in accounting and related disciplines, to students who are desirous of becoming Accounting Technicians.
3. To promote the profession of Accounting Technicians globally and establish links with related professional bodies worldwide.

## **4. Management of the affairs of the Corporation**

- 4.1 The affairs of the Corporation shall be administered by a Council (hereinafter referred to as "The Council") consisting of:-
- (a) Eight members nominated by the Council of the Institute of Chartered Accountants of Sri Lanka (ICASL).
  - (b) Five members elected by the members of the Corporation, from amongst themselves every two years, being persons who are eligible for election under the rules of the Corporation.
  - (c) One member nominated by the Minister in-charge of the subject of Trade.
  - (d) One member nominated by the Minister in-charge of the subject of Education.
  - (e) The Immediate Past President of the Council.

Every member of the Council shall, unless he earlier vacates his office, hold office for a period of two years from the date of his appointment or election.

A member referred to in paragraph (a), (c) or (d) of this subsection is hereinafter referred to as a "nominated member of the Council", and a member referred to in paragraph (b) of this subsection is hereinafter referred to as an elected member of the Council.

- 4.2
- (a) A nominated member of the Council may resign from the Council by a letter in that behalf addressed to the Council and the resignation shall be effective from the date on which it is accepted, in writing, by the Council.
  - (b) The person nominating a nominated member of the Council may at any time revoke such nomination.

- 4.3 (a) An elected member of the Council may resign from the Council by a letter in that behalf addressed to the Council and the resignation shall be effective from the date on which it is accepted, in writing, by the Council.
- (b) An elected member of the Council shall vacate office immediately on his ceasing to be a member of the Corporation or on his being suspended from membership of the Corporation.
- (c) Subject to the provision of paragraphs (a), (b) and (d) of this subsection an elected member of the Council shall hold office for a period of two years from the date of his election until the next election.
- (d) Any member of the Council who has failed to attend three consecutive meetings of the Council without the approval of the Council for such abstention he/she considered as vacated the office.
- 4.4 Where a nominated member of the Council vacates office by death, resignation or other cause, the person nominating such member shall nominate another member in his place. If such person fails to make a nomination within twenty one days of the occurrence of the vacancy, the Council may nominate another member in place of the member vacating office and shall hold office during the remaining part of the term of office of such member.
- 4.5 Where an elected member of the Council vacates office by death, resignation or other cause, the Council shall nominate another member in his place, being a person who is eligible for election as an elected member of the Council under the rules of the Corporation. The member so nominated shall hold office during remaining part of the term of office of such member.
- 4.6 No act or proceeding of the Council shall be deemed to be invalid by reason only of the existence of a vacancy in the Council or any defect in the nomination or election of a member thereof.
- 4.7 The first Council of the Corporation shall be the Council of the Association holding office at the time of coming into operation of this Act.

## **5. Duties & Powers of the Council**

1. To provide or arrange for the provision of courses of study and training, leading to the qualification of Accounting Technicians and specify the qualifications for registration for such courses.
2. Arrange for the conduct of examinations and other modes of assessments to ascertain the proficiency of persons who have followed such courses and training.
3. To specify exemptions from examinations conducted by the corporation, of persons holding other educational and other professional qualifications.
4. To award medals, scholarships, certificates and diplomas to person who have completed the courses and achieved proficiency at the examinations conducted by the corporation.
5. To establish and maintain Branches, Information Centres and Libraries.
6. To enhance the competence of members through and Continuous Professional Development Program.
7. To liaise with universities and other professional bodies with a view to conduct programs leading certificate courses and diplomas.
8. To enforce a Code of Ethics on the membership and determine the procedure for conducting disciplinary inquiries in case of professional misconduct and where appropriate to initiate disciplinary action including cancellation of and suspension from membership of the corporation.
9. To determine;
  - i the qualification for admission to each category of membership.
  - ii the Categories of membership of the corporation,
  - iii admission or registration fee payable by each category of members.
  - iv annual subscriptions payable by each category of member, and the dates before which such subscriptions are payable
  - v the privileges and duties of each category of member.
  - vi the circumstances in which the Council may direct the waiver or reduction of the annual subscription payable by a member.
  - vii the appointment by the Council as honorary members of the corporation, if persons who are otherwise ineligible for admission to any category of membership.
10. To determine the eligibility for election as an elected member of the Council.
11. Fixing of remuneration payable to members of the Council.

12. The summoning and holding of meetings of the corporations, the notices for such meetings, the Time, Place & Agenda of such meetings the quorum and the conduct of business thereof.
13. The administration and management of the property of the corporation, the custody of its funds, and the maintenance and audit of its accounts.
14. To recruit and dismiss staff on a permanent, casual, contract basis and determine their duties, obligations, their grades, remunerations, other fringe benefits and their rights.
15. To use moneys and properties of the corporation towards the promotion of the main object and other objective of the corporation.
16. To promote good governance in relation to its members, students and other stakeholders.
17. To incur capital expenditure, for the purpose of acquiring Assets including acquisition and construction of Buildings and to lease, rent, sale or dispose of such properties. The moneys and properties of the Corporation shall be applied solely towards the promotion of the objects of the Corporation and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, loans, bonus or otherwise, to members of the Corporation:

Provided however, that the provisions of this section shall not prohibit

- 17.1 The payment in good faith of reasonable and proper remuneration to any officer or servant of the Corporation or to any member of the Corporation, for any services rendered by him to the Corporation;
- 17.2 The payment of reasonable and proper rent for any premises let to the Corporation by a member of the Corporation:
- 17.3 Reimbursement or repayment of reasonable and proper expenses incurred with the prior approval of the Council, by any member, officer or servant of the Corporation, in the performance and discharge of his duties and functions or in promoting the objects of the Corporation.
18. To borrow money with or without security and such security to include mortgages, pledges of properties.
19. To obtain grants from the Government, operate and close Bank Accounts, and receive donations.
20. To invest its funds not immediately required for the purpose of the corporation, in such manner as the council may think fit and to vary and transfer any such investment from time to time.

21. To make donations and ex-gratia payments
22. Application of the seal of the corporation.
23. Such other matters which may be necessary for the management of the affairs of the corporation and the accomplishment of its objects.

## **6. President and Vice President of the Council**

- 6.1 The members for the Council shall elect, from among themselves, A President and a Vice President based on the recommendation received from the council of ICASL.
- 6.2 The President or the Vice President may resign from their respective offices by a letter in that behalf addressed to the Council and the resignation shall be effective from the date on which it is accepted, in writing, by the Council.
- 6.3 The Council may remove the President or the Vice President from their respective offices, by a 2/3 majority of the members present and voting at a meeting of which adequate notice given and resolution passed at a meeting of the Council.
- 6.4 Subject to the provisions of subsections (6.2) and (6.3), the President and the Vice President shall hold their respective offices for a period of two years.
- 6.5 Where the President or the Vice President vacates office by death, resignation or removal, the members of the council may elect another member of the Council in the place of such President or the Vice President in accordance with provision of the subsection (6.1).

## **7. Meetings of the Council**

- 7.1 The President shall preside at all meetings of the Council. In the absence of the President from any meeting of the Council, the Vice President shall preside at such meeting. In the absence of both the President and the Vice President from any meeting of the Council, the members present at such meeting shall elect, from among themselves, a President to preside at such meeting.
- 7.2 The quorum for any meeting of the Council shall be seven members, of whom at least four shall be members nominated by the Council of the Institute of Chartered Accountants of Sri Lanka.
- 7.3 All matters for decision at a meeting of the Council shall be decided by a majority of the members present and voting. In the event of an equality of votes, the person presiding at such meeting shall have a casting vote.

- 7.4 A Resolution in writing signed by all the members for the time being of the council who are duly entitled to receive notice of a meeting of the council shall be as valid and effectual as if it has been passed at a meeting of the council duly convened and constituted.
- 7.5 Subject to the preceding provisions of this subsection, the Council may regulate the procedure in regard to its meetings and the transaction of business at such meetings.

## **8. Meeting of the members of the Corporation**

- 8.1 An annual general meeting of the members of the Corporation for the transaction of the ordinary annual business of the Corporation (that is to say the reception and consideration of the annual report of the Council and the accounts of the Council together with the Auditor's report thereon) shall be held in Colombo.
- 8.2. The Secretary shall not less than fourteen days before any annual meetings of the members of the Corporation send to each such member a notice giving the date, time and venue of the meeting and the business to be transacted thereat.
- 8.3 At any annual meeting of the members of the Corporation, if twenty members are not present personally within half-an-hour after the time appointed for such meeting, the meeting shall stand adjourned for a fortnight to be held at the same hour and place. On the date to which the meeting was adjourned the meeting shall proceed to business notwithstanding that there may be less than twenty members present at such adjourned meeting.

## **9. Rules of the Corporation**

- 9.1 The rules of the Association in force on the day preceding the date of commencement of this Act shall be deemed to be rules made under this section insofar as they are not inconsistent with the provisions of this Act or other written law.
- 9.2 The rules of the Association in force at time of coming into operation of this Act shall be deemed to be rules of the Corporation made under this Section and may be altered, added to amended, rescinded or replaced by rules made under this Act.

## **10. Financial Year of the Corporation**

- 10.1 The financial year of the Corporation shall be the calendar year.
- 10.2 The Corporation shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of the

Corporation.

- 10.3 The accounts of the Corporation shall be audited annually by a qualified auditor appointed by the Corporation.

**11. Debts due and payable to the Association**

All assets, liabilities, staff and students of the Association existing on the day preceding the date of commencement of this Act shall be taken over for the purposes of this Act.

**12. Protection for action taken under this Act**

12.1 No suit or prosecution shall lie:-

- (a) against the Corporation for any act which in good faith is done, or purported to be done, by the Corporation under this Act: or
- (b) against any members of the Council individually or jointly for any act which is done, or purported to be done by him in good faith under this Act or on the direction of the Corporation.
- (c) against any member, officer or servant of the Corporation for any act which is done, or purported to be done by him in good faith under this Act or on the direction of the Corporation.

12.2 Any expenses incurred by the Corporation in any suit or prosecution brought by or against the Corporation before any court shall be paid out of the Fund of the Corporation and any costs paid to or recovered by the Corporation in any such suit or prosecution shall be credited to the Fund of the Corporation.

12.3 Any expense incurred by any such person as is referred to in paragraph (b) of subsection (12.1) in any suit or prosecution brought against him before any court in respect of any act which is done or is purported to be done by him under this Act or on this direction of the Corporation shall, if the court holds that such act was done in good faith, be paid out of the Fund of the Corporation, unless such expense is recovered by him in such or prosecution.

**13. Seal of the Corporation**

The seal of the Corporation shall not be affixed to any instrument whatsoever except in the presence of such number of persons as may be provided for in the rules in force for the time being who shall sign their names to the instrument in

token of their presence and such signing shall be independent of the signing of any person as a witness.

**14. Limitation of liabilities of members**

No member of the Corporation shall for the purpose of discharging the debts and liabilities of the Corporation or for any other purpose be liable to make any contribution exceeding the amount of such membership fees as may be due from him as at that date to the Corporation.

**15. Serving of rights of the Republic**

Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or corporate or of any other persons, except such as are mentioned in this Act and those claiming by, from, or under, them.

**16. Interpretation**

In this Act, unless the context otherwise requires;

“**Approved University**” means such University as is approved by the University Grant Commission

“**Council**” means the Council of the Association of Accounting Technicians of Sri Lanka.

“**Member**” means a member of the Corporation

“**Qualified Auditor**” means an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka, or of any other Institute established by law, possesses a certificate to practice as an Accountant issued by the Council of such Corporation.

“**The Institute of Chartered Accountants of Sri Lanka**” means the Institute of Chartered Accountants of Sri Lanka established by the Institute of Chartered Accountants Act, No.23 of 1959.

**17. Sinhala text to prevail in case of inconsistency**

In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.