

Please note that most Acts are published in English and another South African official language. Currently we only have capacity to publish the English versions. This means that this document will only contain uneven numbered pages as the other language is printed on even numbered pages.



# STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

REPUBLIC OF SOUTH AFRICA

# GOVERNMENT GAZETTE

*As 'n Nuusblad by die Poskantoor Geregistreer*

*Registered at the Post Office as a Newspaper*

Verkoopprys • Selling price  
(AVB uitgesluit/GST excluded)

Plaaslik **50c** Local  
Buitelands 70c Other countries  
Posvry • Post free

Vol. 277

KAAPSTAD, 15 JULIE 1988

CAPE TOWN, 15 JULY 1988

No. 11414

KANTOOR VAN DIE STAATSPRESIDENT

STATE PRESIDENT'S OFFICE

No. 1397.

15 Julie 1988

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 92 van 1988: Wysigingswet op Rekenmeesters en Ouditeurs en Finansiële Instellings, 1988.

No. 1397.

15 July 1988

It is hereby notified that the State President has assented to the following Act which is hereby published for general information:—

No. 92 of 1988: Accountants' and Auditors' and Financial Institutions Amendment Act, 1988.

ACCOUNTANTS' AND AUDITORS' AND FINANCIAL  
INSTITUTIONS AMENDMENT ACT, 1988

Act No. 92, 1988

## GENERAL EXPLANATORY NOTE:

[                    ] Words in bold type in square brackets indicate omissions from existing enactments.

\_\_\_\_\_ Words underlined with solid line indicate insertions in existing enactments.

## ACT

To amend the Public Accountants' and Auditors' Act, 1951, so as to authorize the Public Accountants' and Auditors' Board to cause to be made known in a specified manner the name of an accountant and auditor who has been found guilty of improper conduct; and to make different provision with regard to the recognition of service under articles which was rendered before the date on which such articles were lodged with the board for registration; to amend the Inspection of Financial Institutions Act, 1984, so as to apply the provisions of section 8 in respect of an inspection in terms of section 6 of the Act; to confer and impose upon the registrar of a financial institution a power and a duty to submit to that board and a certain liquidator certain information obtained by the registrar as a result of the application of the provisions of the latter Act; and to make provision for incidental matters.

(English text signed by the State President.)  
(Assented to 6 July 1988.)

**B**E IT ENACTED by the State President and the Parliament of the Republic of South Africa, as follows:—

Amendment of section 21 of Act 51 of 1951, as amended by section 7 of Act 47 of 1956, section 5 of Act 30 of 1962, section 3 of Act 68 of 1965, section 8 of Act 53 of 1975, section 7 of Act 91 of 1979, section 1 of Act 48 of 1984 and section 1 of Act 51 of 1985

1. Section 21 of the Public Accountants' and Auditors' Act, 1951, is hereby amended by the substitution for paragraph (g) of subsection (1) of the following paragraph:

- 10           “(g) (i) to prescribe conduct constituting improper conduct by an accountant and auditor registered in terms of this Act, the manner in which an allegation or a charge of improper conduct shall be investigated and, if necessary, heard, and the punishments, including a fine, removal from the register, qualified, temporary or permanent disqualification for registration, suspension from practice for such period as the board may determine, a caution or a reprimand, which may be imposed by the board after such an investigation or hearing;
- 15           (ii) to cause to be made known in a journal or other publication referred to in paragraph (h)*bis*, or in the public press, the name of an accountant and auditor who has been heard as contemplated in subparagraph (i), and in respect of whom the board has imposed any of the following punishments, namely, removal from the register, qualified, temporary or permanent disqualification for registration or suspension from practice for a period determined by the board;”.
- 20

ACCOUNTANTS' AND AUDITORS' AND FINANCIAL  
INSTITUTIONS AMENDMENT ACT, 1988

Act No. 92, 1988

Amendment of section 24 of Act 51 of 1951, as amended by section 9 of Act 47 of 1956, section 2 of Act 64 of 1957, section 7 of Act 30 of 1962, section 5 of Act 68 of 1965, section 11 of Act 53 of 1975 and section 2 of Act 48 of 1984

2. Section 24 of the Public Accountants' and Auditors' Act, 1951, is hereby amended—

(a) by the substitution in subsection (1) for the words preceding paragraph (a) of the following words:

10           “[No] Subject to the provisions of subsection (3) no service under articles of clerkship entered into after the commencement of this Act shall be recognized for the purpose of this Act unless such articles have been registered with the board, and no articles shall be so registered unless the person with whom service is to be performed thereunder has obtained the consent of the board to engage a clerk under articles, which consent shall not be given unless the board is satisfied that such

15           person is actively engaged in the Republic, either on his own account or in partnership, in public practice of such a character as to ensure that the clerk will obtain a sufficiently wide and general practical training and experience and unless there has been lodged with the board—”; and

20           (b) by the substitution in subsection (3) for the words preceding the first proviso of the following words:

                  “(3) The period of service under articles shall be five years commencing on the date on which such articles are lodged with the board for registration or on such earlier date [not being more than three

25           months previously] as the board may in any particular case direct.”.

## Amendment of section 6 of Act 38 of 1984

3. Section 6 of the Inspection of Financial Institutions Act, 1984, is hereby amended by the substitution of subsection (2) for the following subsection:

30           “(2) The provisions of sections 4 [and], 5 and 8 apply *mutatis mutandis* in respect of such an inspection.”.

## Amendment of section 8 of Act 38 of 1984

4. Section 8 of the Inspection of Financial Institutions Act, 1984, is hereby amended—

35           (a) by the deletion of the word “and” at the end of paragraph (a) of subsection (1);

                  (b) by the insertion of the word “and” at the end of paragraph (b) of subsection (1); and

                  (c) by the addition to subsection (1) of the following paragraphs:

40           “(c) if the registrar has reason to believe that any person who acted in the capacity of auditor to a financial institution did not comply with the provisions of subsection (3) of section 26 of the Public Accountants' and Auditors' Act, 1951 (Act No. 51 of 1951), the registrar may send a copy of the report by an inspector who inspected the affairs of such institution as well as any other information with regard to the affairs of

45           such financial institution obtained by him as a result of the application of this Act, to the Accountants' and Auditors' Board established by section 2 of the Public Accountants' and Auditors' Act, 1951;

                  (d) if the registrar is of the opinion that a report of an inspector who inspected the affairs of a financial institution, or that any information

50           obtained by the registrar as a result of the application of this Act, may assist the liquidator of such institution to carry out his duties, to perform his functions or to exercise his powers with regard to the liquidation of such institution, he may submit to that liquidator a copy of such report or such information.”.

## 55 Short title

5. This Act shall be called the Accountants' and Auditors' and Financial Institutions Amendment Act, 1988.