



OFFICE OF THE SECRETARY & CHIEF EXECUTIVE OFFICER

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**TO : AUDIT AND NON-AUDIT PRACTICE LICENCE MEMBERS
& OTHER ZICA MEMBERS**

REVOCATION OF THE ACCOUNTANTS (CLIENT FEES) REGULATIONS STATUTORY INSTRUMENT (SI 34 of 2018)

As you may be aware, prior to the coming into force of Statutory Instrument Number 34 of 2018, accountants fees were negotiated with clients as they were not based on any framework, legal or regulatory. Thus the fees chargeable in some instances, were not a true reflection of the actual cost of undertaking an engagement by an accountant in public interest. As a result, this adversely affected the quality of the accountancy services to the detriment of recipients of the accountancy services and the public at large which went against the mandate of the Institute to protect public interest. To address these shortcomings, on 16th April 2018, the Minister of Finance signed the Statutory Instrument No.34 of 2018 to bring into effect the regulation of the charge out rates applied by accountants in practice.

During the implementation process, feedback was given through the Attorney General that SI 34 did not sit well with the provisions of Section 16 (2) of the Accountants Act No. 13 of 2008 because the schedule provided for the fees chargeable, applied to structures that exist in accounting firms, which were not consistent with the classes of Membership as provided for in the ZICA constitution. Based on the aforementioned, The Attorney General recommended the revocation of the Statutory Instrument No. 34 of 2018 to ensure it is aligned with the provisions of the Accountants Act No. 13 of 2008 and the ZICA Constitution. Therefore, the Statutory Instrument No. 34 of 2018 was revoked on 5th February, 2019.

To ensure that no vacuum is created in the market and profession at large, the Institute in conjunction with the Ministry of Finance and Ministry of Justice is setting up a task force that will ensure that the matter is resolved and a new statutory instrument is issued.

For avoidance of doubt on charge out rates, the Ministry of Justice has advised that all fees and hours charged for work performed by the holder of a ZICA practicing certificate and their firms and contracts entered into up until the date of revocation of SI 34 on 5th February 2019 are valid because SI 34 was subsisting.

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