

Certified Public Accountants, Liberian Institute of (LICPA) Act

AN ACT TO REPEAL THE 1933 ACT OF THE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS LIMITED OF LIBERIA AND TO ENACT IN LIEU THEREOF THE LIBERIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

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PART 1 PRELIMINARY PROVISIONS

Section 1: Repeal of the 1933 Act

That from and immediately upon the passage of this Act, "An Act To Repeal The 1933 Act Of The Institute Of Certified Public Accountants Limited Of Liberia And To Enact In Lieu Thereof The Liberian Institute Of Certified Public Accountants", the 1933 Act Of The Institute Of Certified Public Accountants Limited, Of Liberia And All Acts As Well As Any And All Executive Orders Amendatory Thereto are hereby repealed.

Section 2: Short Title

This Act shall be cited as the L.I.C.P.A. Act

Section 3: Definitions & Limitations

1. The definitions established in this Act are intended and employed herein to govern only matters covered by this Act.

2. In the case of conflict between this Act and other legislation, the provisions of this Act shall apply only in respect of the substantive objectives of this Act as set out in Sections 7, 8 and 9 below. Accordingly, in such event the provisions of this Act shall prevail in such regards.

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

1. **Accountant** is a person trained in in the theory and practice of accounting and in the preparation and analysis of accounts. Accountants typically prepare annual and other periodic reports and financial statements for planning and decision making purposes; advise on tax laws and investment opportunities and/or look after the broader financial wellbeing of a business or other entity, including the preparation of financial plans, budgets and management accounts. For the purpose of this Act, an accountant is any person who performs or purports to perform any of the acts or activities mentioned above; or any of the acts or activities indicated in item 24 of this Subsection or in Subsection 3 of Section 24 of this Act, whether that person provides such service(s) as an employee or as an independent person. All accountants in Liberia, whether operating as employees or as public accountants are subject to accounting and ethics standards as well as other related regulations promulgated by the Institute.

2. For the purpose of this Act the term "**Accountant**" includes **Auditor**; **Accountancy** has the same meaning as **accounting**; "**accounting**" includes "**audit**," "**auditing**" and "**review**".

3. **Accountancy body** means a body of or representing accountants.

4. **Accounting practice** has the same meaning as "public accounting."

5. **Accounting Standard** is a level of accounting quality or excellence that is established by the Council as a norm to be accepted and followed by accountants in Liberia in the preparation and presentation of published financial statements.

6. **Accounting technician** means an individual who has passed the qualifying examinations prescribed by the Council and has been duly awarded a certificate to that effect by the Institute consistent with the provisions of subsection 4 of Section 14 of this Act.

7. **Audit** means the independent examination of evidence from which the financial statements of an enterprise or other entity are derived in order to give the reader of

such financial statements confidence as to the truthfulness and fair presentation of the affairs of the entity as disclosed in the financial statements.

8. **Auditing standard** is a level of auditing quality or excellence that is established by the Council as a norm to be accepted and followed by auditors of published financial statements.

9. **Auditor** is a person, individual or firm, holding a practice certificate issued to that person by the Liberian Institute of Certified Public Accountants (LICPA) under authority of this Act.

10. **Bylaws** mean such rules of governance and administration as the members of the Institute shall, by a two-thirds or greater majority, approve or amend at a duly convened annual general meeting of the members, provided that the members may at any special meeting convened for the purpose approve, by the required majority vote, the first set of bylaws of the Institute following the coming into effect of this Act.

11. **Certified** means granted a certificate that confers certain privileges on the holder of the document. Certified has the same meaning as "certificated"

12. **Certified Public Accountant (CPA)** is a member of the Institute who is enrolled in the Institute as a Certified Public Accountant.

13. A **Chapter** is a grouping of Institute members that is duly established by the Council. in accordance with the approved bylaws of the Institute as an operational subunit of the Institute, provided that a minimum of twenty five (25) active members, including ten (10) or more members who are enrolled in the Institute as certified public accountants, shall be required to establish a chapter. Subject to the preceding, a chapter may be established on a local, county or regional basis.

14. A **local chapter** is a duly established grouping of Institute members who are legal residents of the same city district or town. A county chapter is a duly established grouping of Institute members all of whom are legal residents of the same County within the Republic of Liberia. A regional chapter is a duly established grouping of institute members all of whom are legal residents of two or more adjacent counties, two or more of which have one or more common boundaries within the Republic of Liberia.

15. **Code of Ethics** means the Code of Professional Ethics adopted or published by the Institute under authority of this Act_

16. **Conduct** includes an act or omission.

17. **Council** is the competent governing authority, as provided in Part 4, Section 9 of this Act, that is established to carry out the mandate of the Institute under authority of this Act.

18. **Education standards** are education and development requirements established by the Council for accountants in Liberia They include requirements related to pre-qualification education, examinations, practical experience and continuing professional development

19. **Enrolled** means duly registered in the membership records of the Institute.

20. **Ethics standards** are ethical and behavioral requirements which accountants are required to follow in the course of their occupational activities. They promote integrity, objectivity, professional competence, due care, confidentiality and professional behavior

21. **Institute** means the **Liberian Institute of Certified Public Accountants**, a not-for-profit corporate body that is established in Parts 1 and 2 of this Act.

22. **Licensed** has the same meaning as certified, except that the term "licensed" is generally restricted to Certified Public Accountants and Registered Practicing Accountants under authority of this Act;

23. **Member** means member of the Institute.

24. **Partner** is any person who has a proprietary interest in an entity that provides accounting services to the public in consideration of remuneration; or who otherwise partakes in the profit-sharing of such an entity and/or who is authorized to sign off on professional work done by the firm; or who is otherwise charged with responsibility for ensuring that the work of the firm is in compliance with prescribed quality standards.

25. **Resident** is a natural person who meets the requirements of Section 19 of this Act.

26. **Practicing accountant** has the same meaning as public accountant. (See item 30 of this Section for more on these two terms.)

27. **Practice license** or **practicing license** has the same meaning as **practice certificate** or **practicing certificate**.

28. **Public accountant** is an accountant who, not being a salaried employee of another person, provides accounting, auditing, review, tax-advisory and/or any accounting-related consulting services to such other person in consideration of remuneration received or to be received; or who sets himself or herself up to the public as offering such services in consideration of a remuneration to be received; or who otherwise performs any of the acts set out in subsection 3 of Section 24 of this Act.

29. **Public accounting** is any act, activity and/or operation whereby an accountant, not being an employee of the recipient of the service rendered or to be rendered performs or contracts to perform any of the acts or actions set out in subsection 3 of Section 24 of this Act.

30. For the purpose of this Act the terms "**public accounting**" and "**accounting practice**" have the same meaning and are generally interchangeable within the context of this Act, except that only for the purpose of distinguishing between them, the terms "**public accounting**" and "**public accountant**" are used primarily in reference to a Certified Public Accountant per the provisions of Subsection 2 of Section 14 of this Act, whereas the terms "**accounting practice**" and "**practicing accountant**" are used primarily with reference to a Registered Practicing Accountant (RPA) as provided for in Section 15 of this Act.

31. **Public Interest** refers to any legitimate interest that is in the public arena. It refers more specifically to the financial interest of users of audited financial statements, particularly audit reports on general purpose financial statements; as well as any other form of assurance reports that accompany relevant financial reports or other financial declarations.

32. **Public Practice** means the practice of an accountant who places accounting services at the disposal of the public for reward or who purports to do so.

33. **President of the Republic** refers to the President of the Republic of Liberia.

34. **Quality Control System** comprise policies and procedures that are designed and put in place by the Institute under authority of this Act to provide reasonable assurance to the Governing Council of the Institute that (i) members and member firms of the Institute as well as Registered Practicing Accountants (RPAs) comply with applicable professional standards and applicable regulatory requirements; (ii) that reports issued by such persons are appropriate in the circumstances; and (iii) the procedures necessary to implement and monitor compliance with those policies are adequate and satisfactorily operational.

35. **Quality Assurance Review** is a review, carried out or authorized to be carried out under authority of this Act, of the operations of a member or member firm of the Institute or a Registered Practicing Accountant (RPA) to determine whether the member, member firm or RPA (i) is subject to or has in place an adequate system of quality control that is consistent with quality control standards issued by the Institute, (ii) is in compliance with such system, and (iii) has adhered to professional standards and regulatory and legal requirements in performing engagements for clients.

36. **Register** means the register of Certified Public Accountants and other professional accountants in Liberia; or the Register of professional (practicing and non-practicing) members as well as student members of the Institute that is prepared and maintained by the Institute under authority of this Act.

37. **Registered Practicing Accountant (RPA)** means an accountant who meets and conforms to the requirements of subsection 1 of Section 15 of this Act and is, on that basis, duly registered in the records of the Institute as a Registered Practicing Accountant (RPA).

38. The notation "**s/he**" denotes the personal pronoun "he" or "she" as the context may require. The masculine pronouns "him" and "his" include the corresponding feminine forms ("her" and "hers") as the context may require. Similarly, the aforementioned feminine pronouns also include the corresponding masculine forms ("him" and "his") as the context may require.

PART 2 ESTABLISHMENT OF THE LIBERIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Section 4: there is hereby established an autonomous Institute to be known and referred to as the Liberian Institute of Certified Public Accountants (LICPA), which is otherwise referred to throughout this Act as "Institute" or "the Institute".

Section 5: The Institute shall be a not-for-profit corporate body having perpetual existence and succession with the powers to:

1. sue and be sued in its corporate name;
2. enter into any and all contracts that are directly or otherwise reasonably related to the discharge of its functions; and
3. acquire, hold, manage and dispose of movable or immovable properties by whatever lawful means in connection with the pursuit of its purposes;

Section 6: Registered Office, Chapters and Seal of the Institute

1. The registered head office of the Institute shall be situated in the capital city of Liberia.
2. The Institute may establish offices and representatives elsewhere, within and outside of Liberia, as the Governing Council of the Institute shall deem appropriate. The Institute may also establish local, county and/or regional chapters in Liberia as the Governing Council shall deem fit.
3. The Institute shall have a common seal, which shall be kept in such custody as shall be determined from time to time by the competent authority established in this Act. The seal shall not be affixed to any document or instrument except upon proper authorization, as the Council shall direct.

PART 3 OBJECTIVES AND FUNCTIONS OF THE INSTITUTE

Section 7: Objectives of the Institute

The overarching objectives of the Institute are and shall be to represent, promote and regulate the accountancy profession in Liberia, in the public interest. To accomplish

these overarching objectives the operational activities of the Institute shall be to (1) set, monitor and enforce accounting, auditing, other assurance, education, ethics and other professional standards of general and specific application in Liberia; (2) license qualified individuals and firms to engage in public accounting in Liberia; and (3) supervise the conduct of all persons, firms and individuals, who engage in public accountancy in Liberia.

Section 8: Functions of the Institute

In furtherance of its objectives, the Institute is hereby authorized to have and perform the following functions:

- (1) regulate the practice of accounting and accounting-related consultancy as well as the professional conduct of accountants and auditors in Liberia by establishing and enforcing accounting, auditing and other assurance engagement standards in Liberia;
- (2) determine, set, adapt or adopt and promulgate standards and rules of general and specific application to accounting and auditing in Liberia that are appropriate for the private sector of Liberia;
- (3) determine, adopt and promulgate quality control standards and assist audit firms with their implementation;
- (4) implement Quality Assurance requirements to ensure the quality of the work undertaken by auditors; and ensure proper implementation of Quality Control Standards as defined in this Act.
- (5) Establish disciplinary mechanisms for investigating and disciplining members for breach of the Institute's regulations;
- (6) advise the Government of Liberia, in consultation with the appropriate agencies of government, regarding accounting, auditing and other assurance standards that are appropriate for the public sector;
- (7) determine, adopt and promulgate professional education and training, as well as practice and ethics requirements for professional and student members of the Institute;
- (8) monitor and enforce compliance with duly promulgated standards by all accountants and auditors in Liberia, as applicable; and, in connection therewith, to institute disciplinary proceedings and, where required, to impose appropriate sanctions against persons in breach of such established standards and/or rules;
- (9) regulate and govern the conduct of its members in the practice of their business as a profession;
- (10) promote the integrity and enhance the status of the accountancy profession in Liberia including the declaration of any particular business practice to be undesirable for

all or a particular category of accountants;

(11) promulgate and maintain appropriate practice standards among members that are consistent with the public interest and the principle of self-regulation;

(12) represent, coordinate and develop the accounting profession and the interest of accountants in Liberia;

(13) develop, promote, maintain and improve appropriate standards of qualification in the accounting profession in Liberia;

(14) accredit local and foreign accountancy academic and professional qualifications; and accredit foreign accountancy bodies;

(15) promote and advance the theory and practice of accounting and auditing in all aspects including in particular but not limited to assurance engagements in general and auditing and other assurance engagements in particular; as well as financial accounting, financial management, accounting-related consultancy and taxation;

(16) develop, promote and enforce internationally comparable accounting and auditing standards in Liberia;

(17) educate and train members in these arts and skills; encourage and promote research in accountancy and generally to determine and by Regulation, establish membership classes of the Institute;

(18) conduct or provide for the conduct of qualifying professional examinations; supervise and regulate the engagement, training, pre-qualification program of student members of the Institute and continuing professional development of members as provided for in this Act;

(19) Conduct appropriate Continuing Professional Development (CPD) programs and/or otherwise provide members with access to such programs;

(20) specify the class of persons who shall be eligible to train student members of the Institute by way of theoretical and practical experience and to specify the circumstances in which any person of that class may be deprived of that privilege;

(21) maintain and publish a registry of **Certified Public Accountants** (with those in practice suitably distinguished from those not in practice) as well as appropriate registry of **Accounting Technicians** and other classes of membership of the Institute consistent with the provisions of this Act;

(22) establish, promulgate, secure, maintain and enforce appropriate performance and ethical standards among members of the Institute; and to take such steps and measures as the Council may consider necessary or appropriate to acquaint such

persons with the methods and practices necessary to achieve and maintain such standards;

(23) secure the economic financial and social wellbeing as well as the intellectual advancement of members of the Institute;

(24) maintain an appropriate library of books, periodicals, audio-visual paraphernalia, electronic documentation and files, etcetera and to encourage publication and widespread distribution of such materials;

(25) encourage research in accounting, auditing, both in the private and public sectors of the Liberian economy and related fields; and generally to secure the wellbeing and advancement of the profession of accountancy, assurance engagements in general and auditing, in particular, as well as accounting-related consultancy in Liberia;

(26) collaborate with and actively participate in the activities of the Association of Accountancy Bodies in West Africa (ABWA) or such other equivalent successor organization, of which the LICPA is a member, to promote the accounting profession in the West African Region; with the view that by so doing the Institute will be empowered to promote the accounting profession in Liberia;

(27) similarly, collaborate with such continental accountancy body that either currently exists or may later come into being for the promotion of the profession of accounting on the African continent; as well as with the International Federation of Accountants (IFAC) or such other equivalent professional body that may hereafter come into being with the view that by so doing the Institute will be empowered to promote the accounting profession in Liberia;

(28) Seek and maintain good relationship between the Institute and other relevant organizations within and outside Liberia and engage in alliances and partnership with such organizations where it is considered to be in the interest of the Institute;

(29) Determine and levy fees for accreditation of local and foreign institutions;

(30) Determine and levy fees payable by individual and member firms of the Institute;

(31) Determine fees payable by individual members, member firms and Registered Practicing Accountants (RPAs) in practice for a quality control inspection and/or review carried out under authority of this Act;

(32) to do any and all other things appropriate or necessary to advance the profession of accounting in relation to financial reporting in the private sector, public practice, industry, commerce and the public sector of Liberia.

PART 4

ADMINISTRATION OF THE INSTITUTE

Section 9: Governing Body of the Institute

1. There is hereby established the Governing Council (GC) of the Institute, which is charged with management of the Institute. The Governing Council is alternatively referred to throughout this Act as "Council" or "the Council." Discharge of the functions of the Institute shall be by or under the authority and guidance of the Council.

2. Duties of the Council

Without prejudice to the generality of the provisions of Section 8 of this Act, the specific duties and functions of the Council shall include but not be limited to the following:

- (1) Perform the functions and responsibilities granted to the Institute by this Act;
- (2) Promote an understanding of professional ethics amongst all members of the Institute;
- (3) Ensure that the Code of Professional Ethics, relevant rules and guidelines developed by the Institute are appropriately responsive to the needs and the legitimate and reasonable expectations of business and financial institutions and others, both within and outside of Liberia, who rely on accountants and the work of accountants;
- (4) Determine the need, if any, for and the nature of professional indemnity and fidelity insurance requirements for persons in public practice under authority of this Act;
- (5) Determine, issue and ensure the relevance of professional standards including accounting, auditing, other assurance and ethics standards taking due consideration of the needs of users of financial statements;
- (6) Monitor and enforce practice standards issued by the Institute;
- (7) Consult with professional bodies on the direction and appropriateness of practice standards adopted or otherwise issued or contemplated to be adopted or issued by the Institute;
- (8) Set qualifying exams and other appropriate preconditions for all persons to be admitted into the institute, including those with professional accounting qualifications from foreign accountancy bodies;
- (9) Approve and promulgate, in accordance with duly established procedures, all accounting and assurance standards, with particular attention to auditing standards within the sphere of assurance engagement standards in general and auditing in particular; interpretation of such standards and rules as well as other regulations that the Institute is herein empowered to formulate, monitor and enforce;
- (10) Establish and/or adopt and approve policies for discharging all functions of the Institute, including promotion of the economic, financial and social wellbeing of members of the Institute;

(11) Provide for the effective management of the Institute, including establishing and staffing the Secretariat or management unit of the Institute;

(12) Approve the personnel, financial, procurement and other policies necessary for the proper governance of the Institute; as well as approve the annual work plan and/or budget of the Institute;

(13) Hire and dismiss the Executive Director, other functional directors and other staff of the Institute in keeping with the laws of Liberia;

(14) Accredite and certify all who meet established criteria for certification as Certified Public Accountants, or any other professional accounting qualification entitlement that the Council may deem fit.

(15) Approve all sanctions to be taken against persons in violation of standards, rule or regulation set by the Institute; and

(16) Do any and all other things as shall be necessary for discharging the functions of the Institute and achieving its objectives.

3. Composition of Council

1. The Council shall consist of a minimum of seven (7) members who, subject to the provisions of subsection 3 of Section 27 of this Act, are enrolled as Certified Public Accountants (including the three Presidential appointees, as provided for in paragraph 3 of this Subsection, as well as the President, Vice President and Immediate Past President of the Institute, and a maximum of eleven (11) members, also including the three Council Members appointed by the President of Liberia, per subsection 3 of this Section, as well as the President, Vice President and Immediate Past President of the Institute.

2. The Council shall consist of seven (7) members while the number of active members who are resident in Liberia is less than one hundred and fifty (150). The number of Council members shall be increased by two (2) whenever the number of members resident in Liberia reaches or exceeds one hundred and fifty (150) but is less than one thousand (1000). Thereafter the number of Council members shall again be increased by two (2) when the number of members who are resident in Liberia reaches or exceeds one thousand (1000).

3. Three (3) members of the Council shall be appointed by the President of Liberia from among members in good standing who, subject to the provisions of subsection 3 of Section 27 of this Act, are enrolled in the Institute as Certified Public Accountants and are employed or otherwise working at and for the Ministry of Finance, the General Auditing Commission and the Central Bank of Liberia; provided that the Ministry of Finance, the General Auditing Commission and the Central Bank of Liberia shall each have one representative on the Council.

4. In the case of the Central Bank of Liberia the Presidential appointee to the Council shall be a Director (or if not an employee of the Bank, then at the level of Director) or a higher ranked staff of the Bank. In the case of the General Auditing Commission, the appointee shall be a Deputy Auditor General (or if not an employee of the Commission, then at the level of Deputy Auditor General) or a higher ranked staff of the Commission; and in the case of the Ministry of Finance, the appointee shall be an Assistant Minister (or if not an employee of the Ministry, then at the level of Assistant Minister) or a higher ranked officer of the Ministry.

5. Consistent with the provisions of paragraphs 3 and 4 of this subsection, the President of the Republic shall make the first three appointments to the Council within sixty (60) calendar days of the coming into effect of this Act. Thereafter, s/he shall, consistent with said provisions, make appropriate appointments to fill existing vacancies, if any, relating to Presidential appointees that may occur on the Council within sixty (60) calendar days of the occurrence of such vacancy or vacancies.)

6. The President of the Institute shall by written communication delivered to the affected recipient within seven (7) calendar days of the occurrence of such a vacancy, inform the Chief Executive Officer (CEO) of the affected Government Institution, who shall in turn within five (5) calendar days of receiving the Institute's written communication in that regard inform the President of the Republic of the occurrence of such vacancy. The sixty-day period mentioned in the preceding paragraph commences on the first working day following delivery of the letter of the President of the Institute to the appropriate CEO as required by this subsection.

7. Pending appointment(s) by the President of the Republic, the Chief Executive Officer of the affected Government Institution (Central Bank of Liberia; General Auditing Commission or Ministry of Finance) shall automatically stand in as an ex-officio member of the Council; and may either personally attend Council meetings or designate a proxy (consistent with the requirements of paragraph 4 of this sub-section) to do so in his or her stead, provided that anyone serving as a member of Council in an ex officio capacity by reason of this provision, need not be a member of the Institute or enrolled in the Institute as a certified public accountant. Such ex officio standing as a member of the Council shall be for a maximum of sixty (60) calendar days during the period of a vacancy and, in any case, shall immediately cease when the President of the Republic makes the required appointment to fill such vacancy.

8. Subject to the requirements of paragraph 2 of this subsection, one or more additional Institute members, who are enrolled as Certified Public Accountants, shall be elected to the Council in accordance with the approved Bylaws of the Institute in order to meet the minimum/maximum membership requirements of paragraph 1 of this subsection, provided that at least two (2) members of Council must at all times be holders of valid practicing licenses.

9. Such other member(s) of the Council shall also be elected into office at an annual

general meeting of the members convened in accordance with the then approved bylaws of the Institute, provided that the first set of such other additional members of Council may be elected and sworn into office at any general meeting of the members following the coming into effect of this Act.

10. The approved bylaws of the Institute may provide for alternate Council members who shall, under conditions specified in the bylaws of the Institute, stand in for substantive Council member(s) temporarily unable to participate in Council decision making, provided that in all such cases the number of participants in such Council deliberation and decision making shall at all times be consistent with the minimum/maximum requirements of paragraphs 1 and 2 of this Subsection.

11. All members of Council shall be twenty one (21) years old or older.

12. Members of Council may be of any nationality.

4. Quorum for Meetings

1. Subject to the requirements of paragraphs 1 and 2 of subsection 3 of this Section, quorum for Council meetings shall be a simple majority of the members of the Council.

2. Quorum for meetings of members shall be as indicated below:
When enrolled members of the Institute resident in Liberia are:

a. twenty five (25) or fewer, quorum shall be five (5) members who are qualified to vote at such meeting in keeping with the then approved bylaws of the Institute;

b. twenty six (26) or more but fewer than one hundred and fifty (150), quorum shall be seven (7) members qualified to vote or ten percent (10%) of Institute members qualified to vote at such meeting in keeping with the then approved bylaws of the Institute, whichever number is higher;

c. one hundred fifty (150) or more but fewer than three hundred and three hundred (300), quorum shall be fifteen members or fifteen percent (15%) of Institute members qualified to vote at such meeting in keeping with the then approved bylaws of the Institute, whichever number is higher;

d. three hundred (300) or more, quorum shall be one hundred (100) members qualified to vote or twenty percent (20%) of Institute members qualified to vote at such meeting in keeping with the then approved bylaws of the Institute, whichever number is LOWER, regardless of the size of Institute membership;

provided that two or more Council members are present and included in the quorum determination per the stipulations of items 2(a) to 2(d) of this subsection; and provided also that whenever computation of a quorum in keeping with any of such stipulations results in a fraction, the calculated result shall be rounded DOWN to the nearest whole number for the purpose of quorum determination.

3. In the absence of the President and the Vice President of the Institute at a scheduled Council meeting or a duly convened meeting of the members, the Council members present shall elect one of their number to preside at the meeting pending arrival of the President or the Vice President of the Institute.

4. Decisions at Council meetings shall, as much as reasonably practicable, be determined by consensus or by a simple majority of votes where a consensus is not reachable. The presiding officer at any Council meeting shall first seek to obtain consensus on any matter to be decided by the Council prior to entertaining any motion for a decision on such matter by a vote of those present.

5. Consistent with the objective stated in preceding paragraph, the presiding officer at a Council meeting may, prior to entertaining any motion for a decision by a vote of those present (if the presiding officer deems it appropriate to do so) reschedule a decision on any matter to a later meeting at which shall be present two thirds or more of all Council members, provided that such rescheduling of a matter to be decided by the Council shall be done in no more than two subsequent Council meetings. Thereafter a decision on the matter by a vote of Council members present shall become mandatory in the absence of a consensus.

6. Decisions at all meetings of Institute members shall be by a simple majority of those present and are qualified to vote on the matter(s) to be decided, provided that at all meetings of the Council and of members of the Institute the presiding officer shall have a deciding vote in the event of a tie vote.

5. Terms of Office

1. The President of the Institute shall serve a two-year term of office and may, by a vote of the members cast in accordance with the relevant provisions of the then approved Bylaws of the Institute, be returned to office for one additional two (2) year term. Thereafter, the President shall not be eligible for another term of office unless and until there has been at least one intervening term of office by another qualified member of the Institute.

2. Subject to the succession provision of subsection 4 of Section 10 of this Act, the term of office of the Vice President shall be concurrent and coterminous with that of the President. As in the case of the President, the Vice President may, by the vote of the members that is cast in accordance with the relevant provisions of the approved Bylaws of the Institute, be returned to office for only one additional successive term of office. However, an outgoing Vice President, who is at the end of his term of office, shall be eligible to be elected as an ordinary member of the Council.

3. Except for the President and the Vice President of the Institute, who shall be ex-officio members and officers of the Council; and also except for an Immediate Past President deemed to be automatically elected to the Council upon honorable departure from office as President, each member of the Council shall serve a two (2) year term of

office that is indefinitely renewable for as long as the members of the Institute shall, by votes cast in accordance with the approved Bylaws of the Institute, periodically return such member (s) to office.

4. An Immediate Past President who, who leaves office honorably in accordance with the provisions of this Act and the bylaws of the Institute, shall, if s/he accepts to serve on the Council, automatically become an ordinary member of the Council; and shall, subject to good behavior, remain on the Council for as long as his immediate successor in office (or where applicable, the Vice President who succeeds that immediate successor) is President of the Institute. An Immediate Past President who is replaced in that role by his successor in office as Immediate Past President of the Institute shall be eligible to be elected to the Council in his own name.

5. An Immediate Past President who was dishonorably removed from office prior to the normal end of his or her term of office shall forfeit the right to serve on the Governing Council of the Institute as Immediate Past President. In that event, or should a past Present who leaves office honorably decline service on the Council, the members shall elect a qualified CPA member of the Institute to fill the vacancy thereby created.

6. The term of office of the Executive Director and other functional Directors shall be as provided in the approved Bylaws of the Institute.

6. Removal from office

1. Members of the Council who are appointed by the President of Liberia shall serve at the will and pleasure of the President of the Republic, who may replace any or all of them, with or without cause, as s/he may deem fit.

2. The Council may, by a two thirds or a greater majority vote of its members present at a duly convened Council meeting, petition the President of Liberia to replace an appointed Council member, who upon investigation conducted by the Council is found guilty of conduct unbecoming a member of Council; or a member of the Institute; or otherwise of conduct that is considered inimical to the public image and/or the interest of the Institute.

3. Elected members of Council, including the Immediate Past President of the Institute, may be removed from the Council prior to the normal end of their terms of office, in accordance with approved bylaws of the Institute.

4. The President and/or the Vice President of the Institute may be removed from office prior to the normal end of her term of office, on proven misconduct, by a two thirds or greater majority vote of all enrolled Institute members resident in Liberia, who, in accordance with the then approved Bylaws of the Institute, are qualified to vote on the removal, provided such vote is in keeping with due process of law and the principle of fair play. Where the calculated two thirds majority results in a fraction, such result shall be rounded up (never down) to the nearest whole number.

Section 10: Officers of the Institute

1. The officers of the Institute shall be:

(i) President

(ii) Vice President

(iii) Financial Secretary

(iv) Executive Director

(v) Other functional Directors and other officers as shall be provided for in the approved bylaws of the Institute; or as the Council of the Institute may by regulation establish.

(vi) Other Members of the Governing Council that is created under Section 9 of this Act.

President

2. The President and Vice President of the Institute shall be elected into office by the members at an annual general meeting that is convened in accordance with the then approved Bylaws of the Institute, provided that the first President and the first Vice President of the Institute under authority of this Act may be elected into office at any general meeting of the members after this Act comes into effect. The President and Vice President, upon being elected into office, shall by that fact, be deemed to have also been elected as members and officers of the Governing Council per Section 9 of this Act.

3. The President shall be the Chief Executive Officer (CEO) of the Institute and Chairperson of the Governing Council. S/he shall, when present and able, preside at all meetings of the members as well as all meetings of the Council. S/he shall, in consultation with the Council, appoint the members of Standing Committees that are established in accordance with the approved Bylaws of the Institute as well as the members and the responsibilities of any ad hoc committees. S/he shall provide leadership and guidance with respect to the overall strategy and policies of the Institute. For the purpose of the Institute, S/he shall undertake liaison with all relevant stakeholders on a national, regional and other international basis. S/he shall maintain discipline at all meetings of the Council and of members; and, when considered necessary, may impose reasonable fines for behavior that is unruly or is otherwise unduly disruptive.

Vice President

4. The Vice President of the Institute shall be the Vice Chairperson of the Council. S/he shall assist the President and shall carry out such functions as the President may request of her; as well as such other functions that may be assigned to her by the approved Bylaws of the Institute. In the absence or inability of the President, the Vice President shall preside at Council meetings and meetings of members of the Institute. S/he shall succeed the President in office in the event of the death or inability of the

President.

5. The bylaws of the Institute may provide for a first vice president and a second vice president, provided that the Institute shall have a second vice president only when its active fee paying membership reaches or exceeds one thousand (1,000). In that case each and every mention of "vice president" in this Act shall apply to and shall be construed as intended to apply to the first vice president of the Institute.

Financial Secretary

6. The Financial Secretary shall maintain or supervise maintenance of proper books of accounts for the Institute and shall prepare or supervise preparation of all periodic financial statements and other financial reports of the Institute as shall be required by the Council; or as otherwise provided for in the approved Bylaws of the Institute. The Financial Secretary shall be appointed by the Council from among qualified members of the Institute. S/he shall work closely with the Executive Director, who is the head of the day to day operations of the Institute, and shall report to the Council.

Executive Director

7. The Executive Director shall be appointed by the Council. S/he shall be responsible for the implementation of the strategic objectives of the Institute; shall organize and supervise the day to day running of the Institute under guidance of the Council. S/he shall also serve as the Secretary of the Council and at all duly convened meetings of Institute members. S/he shall perform such other duties and functions as the Council may require of him. The Executive Director shall establish and maintain an appropriate record, suitably indexed, of all resolutions passed by the Council on any and all matters. S/he shall prepare and maintain or supervise preparation and maintenance of a register of all members, professional and student members, of the Institute ensuring to suitably categorize members in practice and those not in practice.

8. The bylaws of the Institute may provide for other functional directors of the Institute.

Section 11: Bylaws, Administrative Secretariat of the Institute and its Staffing

1. Bylaws of the Institute

(a) The members of the Institute shall, by a two-thirds or greater majority vote, adopt the bylaws of the Institute at any general meeting of the members following the coming into effect of this Act. They may subsequently amend it at an Annual General Meeting of the members also by a two-thirds or greater majority vote of members present at such meeting who, per the relevant provision(s) of an earlier approved bylaws, are qualified to vote on proposed amendment(s) to the existing bylaws, provided that no provision or amendment that is inconsistent with any provision of this Act shall be valid.

(b) Subject to the provisions of this Act, the approved bylaws shall govern the affairs of the Institute.

(c) The approved bylaws shall, as a minimum, contain appropriate provisions for the following:

- i. Conduct of the affairs of the Institute;
- ii. Meetings of the Institute including delivery and sufficiency of notices for meetings; quorum, voting procedures, adjournment and other matters of procedures and conduct of the meeting;
- iii. The timing, agenda and procedures for the Annual General Meeting (AGM) of the members, subject to the condition stated in the item immediately below;
- iv. The nature, procedures, legality and binding authority of special meetings of the members, provided that the validity of any proceedings, act or decision of the Institute shall not be adversely affected by the absence of any person from a duly convened meeting of the Institute.
- v. Election and by-elections, qualification and tenure of officers and the duties, responsibilities and privileges, if any, of officers of the Institute;
- vi. Composition, functions and powers of standing and ad hoc committees as well as chapters and offices of the Institute;
- vii. Classes of members and their rights, obligations and privileges;
- viii. The number or percentage of duly registered members in good standing who may call a special meeting of the members and the nature, channeling and timing of notice which shall be required for that purpose;
- ix. Prequalification for eligibility to be elected or appointed to a particular office of the Institute, provided that to be eligible for election as President, Vice President or Council member of the Institute a member must be at least twenty one (21) years old or older; be in full compliance with the Continuing Professional Development (CPD) requirements applicable to his or her membership class (particularly regarding members in public practice versus those not in public practice) as at the scheduled election date; and must otherwise have been a member continuously in good standing with the Institute for a minimum of three consecutive years;
- x. Prequalification to qualify as a voter on matters to be decided at meetings of members of the Institute;
- xi. Elections Committee as a permanent standing committee of the Institute;
- xii. Prequalification educational requirements; mandatory post qualification Continuing Professional Development requirements;
- xiii. Frequency of mandatory Quality Assurance Reviews (QAR) for members and Registered Practising Accountants (RPAs) in practice, whether rotational or risk based; fees, if any, required for QARs; and types of sanctions applicable for failure to comply

with prescribed professional standards;

xiv. Sanctions for violators of particular provisions of this Act or of the bylaws of the Institute or of valid Council regulation; particularly conditions under which a member may be suspended or expelled from the Institute; or otherwise conditions, if any, under which a certificate or license of a member may be suspended, revoked or cancelled;

xv. Conditions under which particular sanctions may be ameliorated or lifted; in particular, conditions under which suspension of a member may be lifted or an expulsion reversed etc.

xvi. Such other matters as the members may consider appropriate for codification in the organic laws of the Institute.

(d) The first bylaws of the Institute under authority of this Act shall be considered and approved by the members within six (6) months of the coming into effect of this Act. Election of officers of the Institute and their installation into office under this Act shall be conducted immediately thereafter at the meeting of members that approves said bylaws, if that is practicable under the circumstance or, where considered necessary under such circumstance, within seven days of the approval of said bylaws. Thereafter, except for by-elections, per the relevant provisions of the bylaws of the Institute, election and installation of officers into office of the President, Vice President and Council members of the Institute shall be conducted at a subsequent Annual General Meeting (AGM) of members in accordance with the relevant provisions of the approved bylaws.

2. Secretariat of the Institute

The Council shall establish a Secretariat which shall be responsible to coordinate and implement the technical and other administrative activities of the Institute as well as provide day-to-day operational support to the Council. The Secretariat shall be headed by the Executive Director whose pre-qualifications and responsibilities shall be as provided in the bylaws of the Institute and/or otherwise as stated in regulation(s) duly approved by the Council, provided that in the event of any conflict the provisions of the approved Bylaws shall prevail.

3. Other Staff of the Institute

The Council may also authorize the creation of other offices of the Institute and the recruitment of such other officers and personnel as it may deem necessary for the purpose of carrying out the functions and duties of the Institute.

PART 5 FINANCES OF THE INSTITUTE

Section 12 Operating Revenues

1. The work of the Institute shall be funded (a) by legislative appropriations made by the Legislature of Liberia in the national budget; (b) subscriptions, dues and fees paid by members, students and applicants; (c) income from investment(s), if any; (d) income

earned from publications and other services rendered; (e) donations and grants from local and international sources; (f) any other legitimate source(s) available to the Institute.

2. The Institute shall establish and maintain a general fund under its management and control into which shall be deposited monies received and out of which shall be met the expenses and liabilities incurred by the Institute in the discharge of its functions under this Act. The Council may also establish and maintain special purpose funds, deposits into and withdrawals from which may be restricted as the Council shall determine.

3. Subject to such restrictions as may be imposed on the Institute by the grantor of a grant-in-aid, the Council may invest monies available to the Institute for its own use in financial securities and other forms of income-earning investments that are duly approved by the Council. In each case, the investment shall be based upon a formal resolution passed by the Council in any of its meetings, specifically authorizing the investment.

4. All bank accounts of the Institute shall have joint signatories, with the authorized signers satisfactorily independent of each other; and shall otherwise be operated in accordance with the current approved bylaws of the Institute.

5. The Council shall from time to time design and put in place adequate internal controls for the general operation of the affairs of the Institute including particularly the financial operations of the Institute as well as the quality, integrity and security of professional examinations administered by the Council.

6. At least once each year the Council shall cause to be prepared in proper form the audited financial statements of the Institute, which the Council shall, in accordance with the bylaws of the Institute, present to the members of the Institute for their consideration and approval. Thereafter, the Council shall present authentic copies of such approved financial statements to the Government of Liberia through the Minister of Finance.

PART 6 MEMBERSHIP OF THE INSTITUTE

Section 13: Eligibility for Membership

1. Subject to the provisions of Section 14 of this Act, membership of the institutes shall be open to (1) all persons who were members of predecessor organizations of the Institute; and (2) all individuals who are otherwise duly qualified by the Council as Certified Public Accountants (CPA); or are given any other professional recognition in keeping with Subsection 3 of Section 14 of this Act; or as Accounting Technicians, as provided for in subsection 4 of Section 14 of this Act, provided that Accounting Technicians shall at all times be considered student members who are not eligible for licensing as public or practicing accountants or election as Council members.

2. The rights, privileges and obligations of Accounting Technicians and other student

members shall be suitably stipulated in the approved bylaws of the Institute or otherwise in regulation(s) duly approved by the Council.

3. The Council shall maintain in proper form a register of members according to the classes of authorized membership as at the date of publication consistent with this Act. The register, which shall be published at least once annually as the Council shall prescribe, shall indicate individual members and firms of members in public practice.

4. The register of members and member firms shall be regularly and periodically updated within sixty (60) days of change in the membership, whether resulting from new admissions, readmission to and/or removal of individuals and/or firms from membership of the Institute.

Section 14: Categories of Members

The Institute membership shall be categorized as follows:

1. Chartered Members

(a) Any individual, whether within Liberia or outside of the Republic who, upon the coming into effect of this Act, is an enrolled member of the Institute of Certified Public Accountants Limited, of Liberia under the 1933 Act, or of the Liberian Institute of Certified Public Accountants, being an association of accountants deemed to have operated under authority of the 1933 Act that is repealed under Part 1 of this Act, shall automatically become a member of the Institute; provided that such individual is in good standing, financially or otherwise, with the Institute; or if not then in such good standing, shall settle all financial arrears and otherwise put himself in good standing with the Institute within sixty (60) days of the passage of this Act. Upon full compliance with the above stated requirements, such individual shall be entitled to be enrolled in the Institute as a chartered member of the Institute under this Act. The Council shall establish and maintain a permanent roster of such members.

(b) Any individual, whether within Liberia or outside of the Republic, who, upon the coming into effect of this Act, was a member of the Institute under the 1933 Act that is repealed under Part 1 of this Act, but was not in good standing financially or otherwise with the Institute and fails to make good his or her individual membership under the provisions of paragraph (a) of this Subsection, shall automatically cease to be a member of the Institute upon expiration of the time limit specified in the paragraph. Such person may again become a member of the Institute upon meeting one or more of the requirements stipulated in Subsections 2 to 4 of this Section.

(c) The Council shall by Regulation establish and promulgate procedures that are not inconsistent with this Act for the payment of dues in arrears and otherwise for the fulfillment of carryover membership requirements.

(d) Except as provided in paragraphs (a) and (b) of this Subsection, entry into any class of membership under this Act shall be in accordance with the provisions of subsections 2 to 4 of this Section, as applicable.

2. Certified Public Accountants (CPAs)

(a) An individual who:

(i) completes the professional education requirements prescribed by the Council, passes the appropriate qualifying professional examinations for CPA membership of the Institute, which is conducted by the Council under this Act, and completes practical training of such description and for such period as the Council may prescribe; or

(ii) is a member of any association, society, institute or other body of accountants, by whatsoever name called, that is approved by the Council as being a professional body of equivalent status to the Institute, shall be eligible for membership of the Institute as a Certified Public Accountant, who is entitled to vote at meetings of members, if the applicant's class of membership in the association, society or institute per item a(ii) of this subsection, in the opinion of the Council, qualifies the applicant for admission into the Institute as a Certified Public Accountant; provided that any person admitted to membership in the Institute under item a(ii) of this subsection shall not be entitled to use the title of Certified Public Accountant (CPA) unless such individual has passed such qualifying examination(s) and has met such other experience requirements, if any, for enrollment in the Institute as a Certified Public Accountant, as the Council may require; but any such individual may use any title to which s/he is entitled by virtue of any qualification s/he possesses.

(b) Notwithstanding the Council's approval of any association, society or institute mentioned in item a(ii) of this subsection, the Council may declare that any specified class or description of members of any such association, society or institute shall not be eligible for membership into the Institute.

(c) Regulations made by the Council prescribing practical training for the purpose of paragraph a(i) of this Subsection, may contain such special provision as the Council may deem fit declaring that a person,

(i) who had commenced, prior to the coming into effect of this Act, and completed or completes, whether prior to or after that date, training of such description and duration as the Council may by Regulation specify, or

(ii) who has service in a post and completes training of such description and duration as the Council may specify in the Regulations, shall be deemed to have completed the training prescribed for the purposes of the said paragraph a(i) of this subsection.

(d) Council Regulation under which any association, society, institute or similar body is approved for the purposes of paragraph a(ii) of this subsection may provide, as a condition of such approval, that a member of any association, society or institute, etc., shall not be eligible for admission into the Institute unless and until s/he has successfully passed such proficiency examination(s) and/or has undergone such training and/or has acquired such practical experience as the Council may prescribe.

(e) Each and every CPA member of the Institute shall, upon payment of the fee prescribed for it by the Council, be issued a certificate as a CPA member of the Institute. The certificate shall be valid for five (5) years, provided the member remains fully in good standing with the Institute during that period. Every CPA member who is in public practice shall, upon payment of the fee prescribed for it by the Council, be additionally issued a practice license that is renewable yearly in keeping with the relevant provisions of the bylaws of the Institute. No member shall commence or remain in public practice without a practice license that is currently in force. Violation of this requirement shall subject an offender to a fine and/or suspension or withdrawal of a practice license in accordance with the bylaws of the Institute.

(f) The bylaws of the Institute shall appropriately provide for renewal, restoration or reactivation of lapsed certificates and licenses.

3. Other Classes of Professional Members

The Council may establish other classes of professional members (Certified Internal Auditors, Certified Information Systems Auditors, Certified Cost and Management Accountant, Certified Forensic Examiner, etc.) as it may deem fit. In such event the Council shall, by regulation or by appropriate provisions in the bylaws of the Institute, determine the relevant preconditions for admission to such other class(es) of professional membership; the post-qualification Continuing Professional Development (CPD) requirements; and shall set the responsibilities and privileges of such members as the Council shall deem fit..

4. Accounting Technician

(a) The Council shall within six months (180 calendar days) following the coming into effect of this Act, by resolution and Regulation or by appropriate provisions(s) in the bylaws of the Institute, establish a membership class of Accounting Technicians within the Institute. Only persons who meet the requirement for certification as Accounting Technicians in accordance with regulations decided by the Council, such regulations being consistent with the criteria set for accounting technicians by the Association of Accountancy Bodies of West Africa (ABWA) or any successor body of ABWA of which the Institute is a member, shall be entitled to admission into the Institute as Accounting Technicians.

(b) The Council shall, by regulation or by appropriate provisions in the bylaws of the Institute, determine and put in place procedures under which qualified individuals who have been duly awarded certificates as Accounting Technicians by other member bodies of the Association of Accountancy Bodies in West Africa (ABWA) or of any equivalent successor umbrella accountancy body of the West African region, may be admitted into the Institute as Accounting Technicians.

Section 15: Registered Practicing Accountants (RPA)

1. Subject to the limitations provided in this Act, any individual, not a member of the Institute of Certified Public Accountants Limited of Liberia under the 1933 Act that is

repealed in Part 1 of this Act or any successor organization, who at the coming into effect of this Act, provides accounting, review and/or auditing services to the public, as his principal means of livelihood, shall be eligible to be registered in the records of the Institute as a *Registered Practicing Accountant* and shall be entitled to use the abbreviation "RPA" provided:

(a) such individual presents to the Council, within sixty (60) days following the effective date of this Act, satisfactory evidence that s/he was, as his/her principal means of livelihood, in business as a practicing accountant as of the coming into effect of this Act;

(b) pays to the Institute the fee(s) set by the Council for operating as a practicing accountant in Liberia; and fulfils such other requirements as the Council may reasonably prescribe;

2. Anyone who is eligible to be registered with the Institute as a Registered Practicing Accountant (RPA) under the preceding paragraph but fails to do so within the time limit indicated in that paragraph shall forfeit his right to continue in such business after the time limit specified in the subsection expires. S/he commits an offense that is punishable under Section 26 of this Act if, without meeting the requirements of subsection 1 of this Section, s/he continues in such business after expiration of the time limit specified by the subsection for such registration. However, mere registration of any individual in the records of the Institute as a Registered Practicing Accountant (RPA) shall not simply by that fact alone entitle such individual to membership in the Institute.

3. Authority to operate as a Registered Practicing Accountant (RPA) under this Section shall vest only in a natural person who meets the requirements of subsections 1 of this Section.

4. That authorization is not transferable and shall immediately cease upon the death of that individual; or if such individual retires from active practice. The Council shall, by regulation, establish procedures whereby qualified individuals shall be issued certificates to operate in Liberia as Registered Practicing Accountants (RPAs).

5. Accounting Technicians shall not be eligible to serve the public as Practicing Accountants or as Public Accountants.

Public Accounting

6. No one may engage in public accounting in Liberia in any form, manner or guise except as provided in this Section.

7. Subject to the provisions of subsections 1 and 2 of this Section, only members of the Institute who are in good standing with the Institute and enrolled therein as Certified Public Accountants, shall be eligible for licensing or certification as Public Accountants under this Act.

8. The Council shall, by Regulation, determine the qualifications required of members

eligible to be licensed as Public Accountants in Liberia, provided that no individual shall be so licensed unless such individual:

(a) is aged twenty one (21) years or older and has paid the fees prescribed by the Council;

(b) has been enrolled in the Institute as a certified public accountant continuously in good standing with the Institute, financially and otherwise, for five (5) consecutive years or more;

(c) has been trained and has gained practical experience in public accounting for three (3) or more years under a member of the Institute who is duly authorized to provide such training and experience; or has, in the view of Council, previously obtained such experience as a member of an equivalent professional body in a foreign jurisdiction;

(d) has been a lawful resident of Liberia, as defined in Section 19 of this Act, for three (3) or more continuous years as at the date of that individual's application for a practicing license and

(e) has successfully passed such qualifying examination in Liberian taxation and such other subject(s) as the Council shall reasonably prescribe.

Section 16: International Quality Standards

1. To enable the Institute achieve its overarching objective of representing and protecting the public interest, as set out in Section 7 of this Act, the Council shall determine and put into effect measures and procedures that are adequate to ensure that all individuals and member firms licensed by the Institute as public accountants are adequately trained and professionally qualified to perform acceptably as preparers or auditors of financial statements that are in the public arena; and in particular that those so licensed are persons of adequate moral and professional integrity. Towards this end the Council shall develop and put in place adequate world class audit as well as non-audit assurance training, monitoring, enforcement and disciplinary measures that are in full compliance with or exceed the relevant quality standards that the International Federation of Accountants (IFAC) requires of its member bodies, particularly as specified in current IFAC Statements of Member Obligation (SMO) numbers 1 to 7, issued April 2004 and revised November 2006, or any later (revised, replacement or additional) versions of said SMOs.

2. In particular, the Council shall take steps that are adequate to ensure that the LICPA is in full compliance with or exceeds the requirements of IFACSMOs 1 (Quality Assurance); 2 (International Education Standards for Professional Accountants and Other IAESB Guidance); 4 (IESBA Code of Ethics for Professional Accountants), 6 (Investigation & Discipline) and 7 (International Financial Reporting Standards) within three (3) years of the coming into effect of this Act; and additionally SMOs 3 (Related Practices and Other Papers issued by the IAASB) and 5 (International Public Sector Accounting Standards and other IPSASB Guidance) within five years of the coming into

effect of this Act.

Section 17: Quality Control System

1. The Governing Council of the Institute shall consider determine and put in place adequate quality control systems that will provide reasonable assurance to the Council that (i) members and member firm of the Institute as well as Registered Practicing Accountants (RPAs) comply adequately with applicable professional standards and regulatory and legal requirements, and (ii) that reports issued by all accountants under the authority of the Institute are appropriate in the circumstances.

2. Towards this end, the Council shall either in collaboration with the West African regional accountancy body of which the Institute is a member; or bilaterally with any member body of such regional accountancy body; or with any other accountancy body anywhere that the Council considers acceptable for the purpose, periodically carryout adequate Quality Assurance Review (QAR) of the operations, activities and working papers files of RPAs, members and member firms of the Institute in relation to any audit or other assurance engagement service(s) rendered by a CPA member or member firm of the Institute; or by a Registered Practicing Accountant (RPA) to clients of such a member, member firm or RPA.

3. In all cases, the objective of such a review shall be to confirm or determine otherwise to the reviewer's satisfaction whether or not the member, member firm or RPA has adequately complied with the relevant audit and/or other applicable assurance engagement standards prescribed by the Governing Council of the Institute.

4. The reviewer selected by the Council for the purposes indicated in Subsections 1 and 2 of this Section shall, at all times, be sufficiently independent of the Council as a body and individually of its members, particularly any member of Council who is a partner or other principal staff of a member firm of the Institute; or is a principal staff of the office of a Registered Practicing Accountant (RPA).

5. In any and all cases, the work of any nonresident individual(s) assigned by an accountancy body engaged by the Council to carryout any quality assurance reviews shall be strictly restricted to quality assurance reviews provided solely and exclusively to the Institute as provided for in this Section.

6. Except for a reviewer's technical qualification and competence for the purpose, his independence of the Council and members of the Institute, and thereby his objectivity, shall be an overriding determining consideration in the Council's selection of a reviewer for the purpose of this Section. This is intended to obviate or minimize the risk of inappropriate accommodation (or inappropriate prying into the affairs of another member) by a peer reviewer who is a member of the Institute.

7. The reviewer's findings shall be communicated to and discussed in draft with the member, member firm or RPA, whose work is under review. The person whose work is reviewed shall be given a fair and adequate opportunity to provide written response(s)

to the finding(s) of the reviewer, which responses the reviewer shall include, verbatim as appropriate, in the reviewers report of the audit or other assurance engagement work of the member, member firm or Registered Practicing Accountant (RPA). Quality Assurance Reviews (QARs), as provided for in this Section, shall at all times be in full compliance with the then current version of relevant guidance documentation developed and issued by the International Federation of Accountants (IFAC), particularly IFAC SMO numbers 1 (Quality Control) and 6 (Investigation and Discipline) or any subsequent, modified or replacement versions of these.

8. QAR reports issued by any reviewer under authority of this Section shall be divided into two (2) classes: reports for (A) practitioners whose audit and/or other assurance engagement work is considered adequately compliant with applicable standards and (B) those whose work is considered not to be sufficiently compliant with such standards.

9. Class B reports shall be further categorized into two (2) Tiers, 1 and 2. Tier One (1) reports shall be progressively classified into three subcategories as follows:

(a) reports of accountants and accounting firms categorized as Class B accountants after the very first review of the operations and working papers file(s) of the audit or other assurance work of such accountants, per the preceding subsection;

(b) reports that pertain to accountants and firms of accountants who remain classified as Class B accountants after a follow up second time review of similar subsequent work of such accountant or firm of accountants;

(c) reports that pertain to accountants and firms of accountants who have failed to qualify for reclassification as Class A accountants after the third review of similar subsequent work of such accountant or firm of accountants.

10. Tier One (1) Review reports shall be restrictively circulated to members of the Quality Control Committee of the Institute, which the Governing Council of the Institute is hereby mandated to setup as promptly as practicable following the effective date of this Act but in any case not later than twenty four (24) months after that date. The approved bylaws of the Institute shall specify how that Committee is to be comprised; the qualification of its members as well as its functions, authority, duties and responsibilities.

11. At each stage and in all cases with respect to any Class B Tier One (1) review reports, the overriding objectives of the Quality Control Committee shall be to:

(a) identify capacity gap(s) or resource inadequacies, if any, whether human or otherwise, that in the view of the Committee, contribute significantly to failure of the affected member, member firm or RPA to be in adequate compliance with the applicable audit and/or other assurance engagement standard(s);

(b) where considered necessary or appropriate, to use its finding(s) per the preceding

item, to assist as much as reasonably and affordably practicable, the affected member, member firm or RPA in a handholding, coaching and mentoring manner so as to empower and enable such member, member firm or RPA to adequately address and correct any deficiencies, weakness(es) and/or other inadequacies identified in the review report applicable to such person, with the ultimate objective of enabling that person to qualify for reclassification as Class A accountant(s) in the next follow up QAR, if the affected accountant or accounting firm is sufficiently cooperative and exerts adequate self-improvement efforts in such regards;

(c) working closely with the Training Committee or equivalent unit of the Institute and by diligent application of appropriate measures, seek to (i) minimize the number of practitioners who are classified as Class B accountants in the wake of any QAR; and (ii) in the case of those who are so classified nonetheless, assist them to so improve the quality of their operations as well as their audit and other assurance engagement working papers files that they are apt to qualify for reclassification as Class A accountants at the next QAR.

12. To accomplish the objectives outlined in the preceding subsection, the Committee shall design and put in place appropriate realistic and affordable remedial programs (including but not limited to Continuing Professional Development programs) and other appropriate measures, the cost of which shall be borne fully or in part by affected practitioners in keeping with the bylaws of the Institute; and/or as the Council shall, by regulation, determine and prescribe. The Committee shall have authority to compel attendance at and active participation in such programs and/or adequate compliance with other appropriate measures under penalty of approved sanctions contained in the bylaws of the Institute; or in regulations issued by the Council; or as customized by the Committee and specifically approved by the Council for a given situation.

13. The Committee shall track, document and grade the progress of all persons covered by a Tier One (1) report. It may at any Tier one stage, consistent with the relevant provisions of the bylaws of the Institute and/or the relevant Regulation(s) of Council, recommend to Council that anyone covered by a Tier one (1) review report who refuses or otherwise fails to comply with remedial measures required of him/her by the Committee; or is otherwise a recidivist, be immediately classified and sanctioned as a Tier Two (2) Accountant as provided in subsection 16 of this Section.

14. The bylaws of the Institute shall specify the nature and frequency of remedial measures that shall apply to offenders at each Tier One (1) review level.

15. Tier Two (2) review reports shall pertain to (a) Tier One (1) accountants forward classified to Tier Two (2) as provided in Subsection 13 of this Section and (b) accountants and firms of accountants who have failed to qualify for reclassification as Class A accountants even after going through a third Tier one (1) review process as outlined in paragraphs 9 thru 13 of this Subsection; or who 'have otherwise failed any later review after a third Tier One (1) review. Such reports shall be restrictively circulated to (i) members of the Quality Control Committee of the Institute; (ii) members

of the Governing Council of the Institute; and additionally to (iii) non Council members of the Audit Quality Assurance Board (AQAB), as provided for in Section 18 of this Act. Based on such QAR report(s) the Council shall discuss, determine, impose and enforce on each accountant or firm of accountants whose professional work is found wanting, per an QAR report, such sanction(s) as the Council may deem appropriate in each particular case.

16. Applicable sanctions shall include but not be limited to:

(a) One or more official warning letters to the culprit with or without limitations imposed;

(b) Mandatory attendance and active participation in appropriate Continuing Professional Development (CPD) programs, with or without limitations imposed;

(c) A limitation order under which the offender is barred from providing one or more specified types of professional services to any new client(s) unless and until the defect, deficiency and/or inadequacy identified in the QAR report has been cured based on a follow review or otherwise to the satisfaction of the Council;

(d) A limitation order under which the offender is barred from providing one or more specified types of professional services to any clients at all, whether existing or new clients, unless and until the defect, deficiency and/or inadequacy identified in the QAR report has been cured based on a follow up review or otherwise to the satisfaction of Council;

(e) Suspension of the practice license of an offender member, member firm or a Registered Practicing Accountant (RPA)] for a specified period or indefinitely, as the Council may deem fit, under specified conditions;

(f) Withdrawal of the practicing certificate of an offender;

(g) Declassification as a Certified Public Accountant or Member Firm of Certified Public Accountants, as no applicable; or as a Registered Practicing Accountant;

(h) Dishonorable dismissal from the Institute and being struck off the records of the Institute;

(i) Fine(s) and/or any other sanction(s) or combination of fine(s) and other form(s) of sanction as the Council shall deem fit under the circumstance, consistent with applicable provisions of the bylaws of the Institute and generally with the due process of law.;

(j) Any other action duly approved by the Council,

17. The bylaws of the Institute shall stipulate conditions under which one or more particular types of sanctions may be imposed on an offender.

18. The Governing Council shall prepare and submit to the Audit Quality Assurance Board, as established under Section 18 of this Act, a report of sanctions decided and imposed on each offender along with an indication of enforcement mechanisms put in place, as applicable; and the results obtained.

19. The Council may also impose sanctions, as outlined in subsection 16 of this Section, on a member, member firm or a Registered Practicing Accountant (RPA) where the Council on its own, based on a complaint sent directly to the Council by an aggrieved party, judiciously determines that an accused member, member firm or Registered Practicing Accountant (RPA) is guilty of a punishable offense, provided that the Council proceedings under which such a determination is reached shall, in each and every case, be fully consistent with the relevant provisions of the approved bylaws of the Institute; and/or with applicable regulations, if any, approved by the Council; and also with the due process of law.

Section 18: Audit Quality Assurance Board (AQAB)

1. To facilitate achievement of the Institute's overarching objective of promoting the public interest, as stated in Section 7 of this Act; as well as enable attainment and to reinforce maintenance of international quality standards as required by Section 16; and additionally to promote and reinforce the world class training, monitoring and enforcement requirements stated in said Section 16 of this Act, there is hereby established an **Audit Quality Assurance board (AQAB)**, herein after alternatively referred to simply as "Board" or "the Board", which shall comprise eleven (11) members as follows:

(a) The Minister of Finance, who may appoint an alternate to serve on the Board in the Minister's stead;

(b) The President and Vice President of the Liberian Institute of Certified Public Accountants (LICPA);

(c) One (1) lawyer from a short list of three (3) recommended by the Liberia Bar Association to the President of Liberia for appointment to serve on the Board;

(d) One (1) lawyer from a short list of three (3) recommended by the Minister of Justice to the President of Liberia for appointment to serve on the Board;

(e) Two bankers from a short list of four (4) recommended by the Liberia Bankers Association to the President of Liberia for appointment to serve on the Board;

(f) Two insurance service providers from a short list of four (4) recommended by the Insurers Association of Liberia to the President of Liberia for appointment to serve on the Board;

(g) One (1) business person from an enterprise that regularly issues annual audited

financial statements from a short list of three (3) recommended by the Liberia Chamber of Commerce to the President of Liberia for appointment to serve on the Board;

(h) One (1) business person from a short list of three (3) recommended by the Liberia Business Association to the President of Liberia for appointment to serve on the Board;

2. The President of Liberia shall appoint to the Board eight (8) of the twenty (20) short listed persons recommended to her per the preceding subsection.

3. All members of the AQAB shall be 21 years old or older, resident in Liberia and may be citizens or non citizens of Liberia.

4. The Minister of Finance or, where applicable, an alternate appointed by him and standing in his stead) shall be the chairperson of the Board. The President of the Institute (or in her absence, the Vice President of the Institute) shall be the Vice Chairperson of the Board.

5. The Minister of Finance or in the absence of the Minister, his authorized representative, if present, shall preside at meetings of the Board. In the absence of the Minister and his representative, the President of the Institute (or in his absence the Vice President of the Institute) shall preside at meetings and proceedings of the Board.

6. Quorum of the Board

Six members shall constitute a quorum for meetings of the Board, provided the Ministry of Finance and the Institute are represented among those present along with representatives of any three of the other constituent institutions represented on the Board per subsection one (1) of this Section.

7. Terms of Office of the Board

(a) Board members who are appointees of the President of Liberia shall serve a two (2) year term of office that is renewable at the will and pleasure of the President. An appointed member of the Board may be removed from the Board by the President with or without cause.

(b) Vacancies that occur on the Board with respect to Board members appointed by the President of Liberia shall be similarly filled as stipulated in paragraphs 5 and 6, subsection 3 of Section 9 of this Act with respect to Council members appointed by the President of Liberia, except that in this case the written communication that is required of the President of the Institute shall be suitably directed to the appropriate head(s) of the affected constituent institution(s) per subsection 1 of this Section.

(c) The Minister of Finance as well as the President and Vice President of the Institute, as ex officio members and officers of the Board, shall immediately cease to be members of the Board upon vacating their respective offices at the Ministry of Finance and within the Institute.

(d) An alternate appointed to serve on the Board in the stead of the Minister of Finance shall serve at the will and pleasure of the Minister.

8. Function and Authority of the Board

The function and authority of the Audit Quality Assurance Board (AQAB) shall be to

(a) receive periodic audit QAR reports from audit quality reviewers appointed by the Governing Council of the Institute, as provided in Section 17 of this Act; and to ensure, where applicable, that the Council has satisfactorily put in place on a prompt enough basis; and/or has satisfactorily enforced, where applicable, appropriate remedial measures; or alternatively, adequate disciplinary measures, where considered necessary, in the case of certified public accountants and Registered Practicing Accountants (RPAs) in practice, the quality of whose audit and/or other assurance engagement work, based on a mandated review of the operations and the related working paper file(s) are indicated, in the assurance quality review report that is required by Section 17 of this Act, to be below acceptable minimum standards.

(b) Where no action has been taken; or where, in the view of the majority of Board members, such measures that the Council has taken against an offender is considered inadequate, the Board may prescribe and mandate the Council to put in place and enforce to the satisfaction of the Board such additional or alternative disciplinary measure(s) as the Board shall, by a majority vote of its members at a duly convened meeting, deem required under the circumstance(s) prevailing. In each such case the Board shall specify a reasonable timeline for compliance by the Governing Council of the Institute.

(c) Where the Council fails, in the view of majority of Board members, to satisfactorily carryout the mandate of the Board within the time limit specified per the preceding subsection, the Board may, if it so decides by a majority vote of eight (8) or more of its members present at a meeting duly convened for the purpose, mandate the Minister of Finance to suspend entirely or in part the Government of Liberia's funding support to the Institute until the Council has complied, to the satisfaction of the Board, with the disciplinary measures required by the Board; in which case the Board shall then authorize the Minister of Finance to release funds, if any, previously suspended upon orders of the Board.

(d) Where the measure(s) per the preceding subsection do not produce the desired compliance by the Governing Council of the Institute, the Board may, by a majority vote of eight (8) or more of its members who are present at a meeting duly convened for the purpose, recommend to the Liberian Senate such additional or alternative measure(s) that the Board shall consider adequate to bring the Council into compliance with the requirements of the Board.

9. The authority of the Audit Quality Assurance Board (AQAB) over the Governing Council of the Institute or otherwise over the Institute, shall be limited to the provisions of subsection 8 of this Section.

10. Subject to a majority approval of the Board as constituted under Subsection 1 of this Section, the Governing Council of the Institute shall, within six months (181 calendar days) of the effective date of this Act, consider, formulate and suitably document the operational procedures of the Board consistent with this Act and also in accordance with the current version of IFAC Statement of Member Obligation (SMO) numbers 1 (Quality Control) and 6 (Investigation & Discipline).

11. The Audit Quality Assurance Board (AQAB) shall be constituted as provided in subsection 1 of this Section not earlier than eighteen (18) months of the effective date of this Act; nor later than forty two (42) months after that date, by which time, subject to the required resources being available to the Institute, the first set of audit quality reviews, as provided for in Subsection 14 of Section 17 of this Act, shall be available for the Board's review, deliberation and decision.

12. The Board shall meet at least twice each year or more frequently as may be warranted by prevailing circumstances or as otherwise deemed necessary or proper in the judgment of the Chairperson or of any seven (7) members of the Board. Subject to the preceding, meetings of the Board shall be at the Ministry of Finance; or at such alternative location and at such times as the Chairperson, or in the absence of the Chairperson, as the Vice Chairperson of the Board shall duly indicate to Board members.

13. The Governing Council of the Institute shall each year deliberate and establish adequate sitting fees for attendance at Board meetings; and shall also provide for appropriate operating costs of the Board, all of which shall be specified and earmarked in the Institute's budget support request to the Minister of Finance with reference to the Government of Liberia's annual funding allotment to the Institute. The operations of the Board shall be funded out of such earmarked allotments.

14. At least once each calendar year, the Audit Quality Assurance Board shall, through its chairperson, make an appropriate summary report of its deliberations, decisions and activities, if any, during the year, to the National Legislature of Liberia. Such report may be either on a stand-alone basis or included in the annual report that the Minister of Finance is required by Law to be rendered to the National Legislature of Liberia; provided that the Minister shall in either case present the report to the Board for approval prior to presenting it to the National Legislature of Liberia.

15. In the event the required report is included in the Minister's annual report to the Legislature, the Minister shall first present to the Board that portion of the Minister's report that pertains to the work of the Board and shall obtain the Board's approval for submission of such report to the National Legislature of Liberia.

Section 19: Resident in Liberia

1. **General Rule:** For the purposes of this Act, an adult individual, who is 21 years old or older is treated as resident in Liberia during a calendar year, if that individual:-

(a) is not a dependent of another person;

(b) is a taxpayer under the prevailing tax law of Liberia; who has duly complied with the personal individual income tax filing and payment obligations required by law for the preceding tax year, as defined in the then current tax law of Liberia, provided that, solely for the purposes of this Section, all members (individuals and member firms) of the Institute and all Registered Practicing Accountants (RPAs), who hold valid practice license, as at the effective date of this Act, shall be unconditionally deemed to have fully complied with this requirement for all tax years prior to the coming into effect of this Act.

(c) Accordingly, no such member or RPA shall be denied a practice license or practice certificate based on his or her failure or alleged failure to have complied with the requirement of this provision at any time prior to the coming into effect of this Act;

(d) maintains in his or her own name, as owner or tenant, a residential home in Liberia for himself whether alone or along with family or others, and resides in that home during the calendar year;

(e) has resided in Liberia throughout the year except for temporary absences not exceeding ninety (90) calendar days each; nor more than 181 calendar days aggregate during any period of twelve (12) consecutive months, provided that longer absences for reasons of medical treatment or study outside of Liberia shall not be counted against anyone for the purposes of this Section. Where applicable, the burden of proof with respect to any longer absence that is claimed to have been due to medical treatment or study abroad shall be on the individual making such claim(s);

(f) If an alien, is holder of a permit of residence and a work permit each of which is currently in force;

(g) if a member of the Institute, has fully paid to the Institute all membership dues for the year; and,

(h) if previously issued a practice license or certificate (whether as a CPA or RPA), has kept such license or certificate continuously in force in accordance with the relevant requirements of the bylaws of the Institute.

2. For the purposes of this Section, an individual is treated as present in Liberia for an entire calendar year if that individual resides in Liberia for two hundred and seventy (270) calendar days or more during the first calendar year s/he commences residence in Liberia, provided that the duration of residence in any kind of transit accommodation (e.g., hotel, motel, guest house or as guest of another person) shall not count towards residency for the purposes of this Section.

3. Exception for Citizens of Liberia: Notwithstanding the requirements of subsections 1(d) and 1(e) of this Section, a Liberian citizen who has met all of the requirements the

subsection without interruption for three (3) years shall not lose his residency status if he later resides outside of Liberia for any length of time provided that throughout the period(s) of such absence(s) from Liberia, the Liberian citizen without interruption, pays all membership dues for each year in compliance with paragraph 1(g) of subsection 1 of this Section; and also keeps current her practice license or certificate in keeping with paragraph 1(h) of said subsection 1 of this Section, all of the foregoing being in accordance with the relevant provisions of the bylaws of the Institute. Failing the preceding, the earlier acquired residency status of a citizen of Liberia shall lapse.

4. Non-Presence in Liberia: For the purposes of this Section, an individual is treated as not present in Liberia on any day when the individual is:

(a) in transit in Liberia between two points outside of Liberia;

(b) present in Liberia for medical treatment; conference, workshop, seminar or study, etc.;

(c) present in Liberia by reason of diplomatic status; or is a dependent of such a natural person; or

(d) an alien who is present in Liberia as an employee of or a consultant to the Government of Liberia;

5. Nonresident in Preceding Years: An individual who was not a resident of Liberia in the preceding tax year is not treated as a resident for the period preceding the day s/he was first present in Liberia during the tax year;

6. Presence in Liberia: For the purposes of this Section a citizen of Liberia is treated as resident in Liberia for any period during which s/he is an employee or official of the Government of Liberia posted abroad.

Section 20: Admission Fees and Annual Membership Subscriptions

Fees, dues and subscriptions shall be paid to the Institute in accordance with the By-laws of the Institute or otherwise in accordance with regulations determined by the Council, provided that such regulations shall not be inconsistent with this Act or the approved by-laws of the Institute

PART 7 QUALIFICATIONS AND RESTRICTIONS

Section 21: General Restrictions

1. Only persons who meet the requirements for enrollment in the Institute as certified public accountants as provided in subsections 1 and 2 of Section 14 of this Act shall be eligible to use the title "Certified Public Accountants" or the initials "CPA".

2. No individual shall be enrolled in any membership class of the Institute:

(a) unless such individual has paid the prescribed fees applicable to her membership class;

(b) if such individual has been

(i) adjudged by a court of competent jurisdiction, whether in Liberia or anywhere else, to be of an unsound mind;

(ii) convicted by a court of competent jurisdiction, whether in Liberia or anywhere else, of any offense involving any form of fraud, corruption or other forms of dishonesty;

(c) if, having been adjudged an insolvent or bankrupt, s/he has not been granted by a court of competent jurisdiction a certificate to the effect that the insolvency or bankruptcy arose wholly or solely from unavoidable losses or misfortunes.

PART 8

PROFESSIONAL RESPONSIBILITY; SANCTIONS FOR MISCONDUCT

Section 22: Professional Responsibility

1. Every member of the Institute shall have and observe professional responsibility to include (1) the obligation to be competent; (2) the obligation to keep one's self adequately up to date with developments in the accounting profession generally as well as in one's area(s) of specialization within the profession as a minimum by meeting applicable Continuing Professional Development (CPD) requirements prescribed by the Council, as applicable and appropriate; (3) the obligation to be ethical in keeping with professional ethics Code and standards prescribed by Council; particularly (4) the obligation to avoid conflict of interest; (5) in the case of member firms, the obligation to comply with educational and quality standards and regulations promulgated by the Institute; and (6) with respect to all members, the obligation to abide by the rules and regulations of the Institute, including but not limited to attendance at and active participation in scheduled general meetings of members of the Institute, particularly the annual general meetings of members.

2. The approved bylaws of the Institute shall require mandatory attendance at and active participation in a minimum number of scheduled Institute meetings, continuing professional development (CPD) programs of the Institute, etc.; and shall provide for reasonable and realistic sanctions on offenders. The bylaws of the Institute may also prescribe conditions under which aged, retired and infirmed members shall nonetheless retain their membership standing and privileges without having to meet standard CPD or meeting attendance requirements.

Section 23: Professional Misconduct

1. A member commits a professional misconduct if she fails any of her professional responsibilities as outlined in the preceding Section. In keeping with its functions, the Council shall issue policy and regulatory guidelines to define acts constituting

professional misconduct, and specify the nature and range of sanctions for proven professional misconduct; provided that such sanctions shall conform to due process of law.

2. The Council shall by appropriate provisions in the approved bylaws of the Institute and/or by regulations that are consistent with this Act and are generally in keeping with the principles of integrity, objectivity and fair play also stipulate procedures under which persons, whether full professional members or student members, who are deemed unfit for continued membership of the Institute are to be struck off the register of members.

3. The Council shall by appropriate provisions in the bylaws of the Institute and/or by regulations that are consistent with this Act and are generally in keeping with the principles of integrity and fair play also stipulate procedures under which the practicing licenses of anyone who is deemed unfit to operate as a Public Accountant or a Registered Practicing Accountant shall be suspended, revoked or cancelled.

4. The Council shall similarly prescribe regulations under which membership or a practicing license and/or other certificate may be restored.

PART 9 SPECIFIC RESTRICTIONS AND PROHIBITIONS

Section 24: Restrictions on practicing as public accountant

1. Any and every external audit, review or other assurance examination of the financial statements or other financial report of any entity, whether for profit or not-for-profit, that is located and operates in Liberia; or any investigation into the affairs of such an entity; or any accounting or accounting related consultancy in relation to such an entity; that is required to be conducted by an independent professional accountant, whether such engagement is required by law or otherwise by the directors, shareholders, creditors or financial sponsor(s) of such an entity or by anyone else whomsoever for any reason whatsoever, shall be conducted only by a member or member firm of the Institute or by a Registered Practicing Accountant (RPA) whose practice license is currently in force for the duration of the engagement.

2. Subject to the quality control requirements of subsection 5 of Section 17 of this Act, only legal residents of the Republic of Liberia, as defined in Section 19 of this Act, shall be granted license or any other form of authority to engage in public accounting or accounting practice; or to carry on business in Liberia as public accountants or as registered practicing accountants

3. For the purposes of this Act, a person shall be deemed to practice as a practicing accountant or be engaged in public accounting or accounting practice; or to operate as a public or practicing accountant if, in consideration of remuneration received or to be received, whether alone or together with any other person(s), s/he, engages in the practice of accountancy or holds himself out to the public as an accountant; offers to perform, performs or purports to perform service involving the auditing or verification of

financial transactions, books, accounts or records or the preparation, verification, or certification of financial accounting and related statements; renders professional service or assistance in or about matters of principle or detail relating to accounting procedure or certification of financial facts or data; or accounting-related consultancy of any kind; renders any other service which the Institute may, by duly approved Regulations, validly prescribe to be service constituting accounting practice or public accounting in Liberia.

4. An individual who is a salaried employee of the Government or of any other employer shall not, only by reason that s/he does, performs or carries out any act or activity referred to in the preceding subsection in her capacity as such employee, be deemed to be engaged in accounting practice or public accounting.

5. Subject to the quality control requirements of subsection 5 of Section 17 of this Act, no person shall be issued or granted a license or certificate or otherwise authorized to operate or carry on business in Liberia as a public accountant or as a Registered Practicing Accountant (RPA) unless such person has been a resident of Liberia for three or more years; and has also met such other requirements as the Council may, by regulation, reasonably prescribe for obtaining or maintaining that status under authority of this Act.

6. Subject to the quality control requirements of Section 17(5) of this Act, no Public Accountant shall operate directly or indirectly in partnership, or collaboration with any natural or legal person who is not also a Certified Public Accountant under authority of this Act. Similarly, no Registered Practicing Accountant shall operate directly or indirectly in partnership, cooperation or collaboration with any natural or legal person who is not also a duly Registered Practicing Accountant under authority of this Act. However, a Certified Public Accountant or a firm of Certified Public Accountants may, in accordance with regulations duly approved by the Council in such regard, hire the services of persons, both natural and legal, who are themselves not public accountants under authority of this Act.

7. A Registered Practicing Accountant may, in accordance with regulations duly approved by the Council in such regard, hire the services of one or more individuals (but not legal persons) who are themselves not Registered Practicing Accountants under this Act. Council regulations regarding the hiring of other accountants, as stipulated in this and the preceding subsections, shall at all times be reasonable, fair, equitable and consistent with the provisions of this Act, particularly in respect of the objectives and functions of the Institute as set out in Part 3, Section 8 (23) and provision 10 of subsection 2 of Section 9 of this Act.

8. Subject to the quality control requirements of Section 17(5) of this Act, no person who is not a Certified Public Accountant or Registered Practicing Accountant under authority of this Act shall in any manner, form or guise engage in or carry on public accounting or accounting practice at anytime anywhere in Liberia.

9. Subject to the quality control requirements of Section 17(5) of this Act, no person who

is a Certified Public Accountant or is a Practicing Accountant under authority of this Act shall in any manner, form or guise operate, carry on business as a Public Accountant or Practicing Accountant unless such individual is the holder of a certificate to practice issued by the Council, that is currently in force. The Council shall, by regulation, establish requirements and procedures for renewal of practice certificates and licenses

10. No person, not being a duly Registered Practicing Accountant under authority of this Act, shall take or use the title "Registered Practicing Accountant" or the initials "RPA".

11. No person, not being enrolled in the Institute as a Certified Public Accountant, shall take or use the title "Certified Public Accountant" or the initials "CPA."

12. Except with prior formal approval of the Council, no member of the Institute and no Registered Practicing Accountant (RPA) may employ or otherwise hire, retain or continue to use the services of any person who

(a) is then currently suspended from practice by the Council under any provision of this Act;

(b) is suspended or expelled from the Institute; or who has, on good, sufficient and provable grounds, been denied admission into the Institute for reasons of dishonesty or other form of unprofessional conduct;

(c) has been struck off the membership records of the Institute or who is disqualified for admission into the Institute by reason of a fair judgment/decision under due process, by the Institute or by a court of law or other competent body, of professional misconduct;

(d) has been convicted in a court of competent jurisdiction of any act of dishonesty or corruption;

13. No Certified Public Accountant or Registered Practicing Accountant may sign an account, statement, report, financial statement submitted for tax purposes or for the purpose of any business transaction with any financial institution; or to any other user for business transaction purposes unless the work was indeed performed by the accountant or under his/her personal direction; or by or under the direction or supervision of one or more other persons who are associated in business with the member or Registered Practicing Accountant in a professional accounting capacity.

14. Notwithstanding anything contained in this Section, any firm of accountants, each of the partners of which is a member enrolled in the Institute as a Certified Public Accountant, may take and use the title "Certified Public Accountants" as a firm, provided that all partners of such firm shall have been individually licensed by the Council as Public Accountants under authority of this Act. The Council is hereby empowered to determine and promulgate regulations regarding the operation of accounting firms in Liberia.

15. No person, not being the employer of an accountant may receive accounting, service(s); assurance (including auditing) service(s) or any other kind of accounting-related service(s) that are restricted by this Section except from a member or member firm of the Institute or from a Registered Practicing Accountant (RPA) duly licensed by the Institute to provide such services to the public. Receipt of accounting service contrary to this provision shall, for the purposes of this Act, effectively constitute unlawful recognition of such a person as a public accountant or practicing accountant, contrary to the intent and requirements of this Act. Such effective recognition shall constitute an offense that is punishable under Section 26 of this Act.

16. Notwithstanding anything stated in this Section or contained in any other part of this Act, a member firm of the Institute that is also a member firm or an exclusive correspondent of an international network of accounting firms operating under one international network name may collaborate with one or more member firms or other offices of such a network in carrying out any engagements in Liberia. Such collaboration among member firms of the same international network of accounting firms shall not constitute a violation of any provision of this Section nor of any other section of this Act, provided that the member firm of the Institute shall have been a member or an exclusive correspondent office of such a network for five (5) or more years as of the effective date of the engagement in Liberia; and provided further that the member firm of the Institute is allocated thirty five percent (35%) or more of the revenue from the engagement in Liberia, which amount the service recipient in Liberia shall pay directly to the member firm of the Institute.

17. Similarly, notwithstanding anything stated in this Section or contained in any other part of this Act, a quality assurance review of the operations and working paper files of any audit and/or other assurance engagement; or of any other type of engagement professional work done by a member firm of the Institute by a representative of an international network of accounting firms of which the member firm of the Institute is also a network member; or by the foreign terminal auditors of a client shall not constitute a violation of any restrictive provision of this Act.

Section 25: Reservation

The authority to certify or otherwise accredit any and all professional accountants within the Republic of Liberia is hereby exclusively reserved to the Liberian Institute of Certified Public Accountants.

PART 10 SANCTIONS

Section 26: Sanctions

Any person who contravenes any provision of Section 24 of this Act commits an offence and shall, upon conviction, be liable to imprisonment for a term not exceeding one year or to a fine not less than one hundred percent nor exceeding two hundred (200 %) percent of the remuneration received or agreed to be received, or both such imprisonment and such fine in the case of a provider of accounting, auditing, assurance

or accounting-related service; or, in the case of a recipient of such service(s), a fine not less than one hundred percent nor exceeding two hundred (200 %) percent of the remuneration paid or agreed to be paid; or imprisonment for a term not exceeding one year; or both such imprisonment and such fine.

PART 11 TRANSITIONAL AND AMENDMENT PROVISIONS

Section 27: Validity of acts authorized under Previous Act

1. Notwithstanding the repeal and revocation of the 1933 Act and all Acts as well as all Executive Orders amendatory thereto, any contract, order, decision or anything made or done before the coming into force of this Act, which was duly authorized in keeping with the repealed Act shall be valid and continue to be in force as if it was made or done under this Act.
2. Notwithstanding the coming into force of this Act, any unfinished business started under the repealed 1933 Act may, subject to the approval of the Council, be continued to its logical conclusion.
3. During the period of ten (10) years following the effective date of this Act, accountants appointed by the President of Liberia to the Governing Council of the Institute need not be Certified Public Accountants under authority of this Act. Such Presidential appointees must, without exception, be duly enrolled Certified Public Accountants under authority of this Act upon expiration of the transitional period specified in this subsection.
4. Any and all assets and liabilities of the Institute of Certified Public Accountants Liberia, Limited or of any association of accountants that has operated or purported to have operated under authority of the 1933 Act shall, automatically pass onto and be assumed by the Institute upon the coming into effect of this Act.
5. Notwithstanding the repeal and revocation of the 1933 Act and all acts and executive orders amendatory thereto, any right or privilege acquired by any person under authority of the 1933 Act shall continue to exist on the date this Act comes into effect unless the contrary is specifically provided in this Act.
6. All officers and employees of the Institute under the 1933 Act and/or any Acts and/or any Executive Orders amendatory thereto, shall continue to hold office upon the coming into effect of this Act until their successors shall be elected or appointed and installed into office under the authority of this Act.

Section 28: Amendment

The Council may, by appropriate legislation, amend, alter or add to, subtract from or revoke any or all of the provisions of this Act.

PART 12
EFFECTIVE DATE

This Act shall take effect immediately upon publication into handbills.

ANY LAW TO THE CONTRARY NOT WITHSTANDING

Approved: April 5th, 2011

Published: June 3rd, 2011
