

**SENATE OF PAKISTAN
HOUSE OF THE FEDERATION**

REPORT NO.5 OF 2017



House of the Federation

**REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE,
ECONOMIC AFFAIRS, STATISTICS AND PRIVATIZATION**

ON

**" THE COST AND MANAGEMENT ACCOUNTANT (AMENDMENT) BILL, 2017,
AS PASSED BY THE NATIONAL ASSEMBLY"**

PRESENTED BY

SENATOR SALEEM MANDVIWALLA

SENATE SECRETARIAT

REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE, ECONOMIC AFFAIRS, STATISTICS AND PRIVATIZATION ON THE COST AND MANAGEMENT ACCOUNTANTS (AMENDMENT) BILL, 2017, AS PASSED BY THE NATIONAL ASSEMBLY

I, Senator Saleem Mandviwalla, Chairman Standing Committee on Finance, Revenue, Economic Affairs, Statistics and Privatization, have the honour to submit, on behalf of the Committee, this report on the Bill further to amend the Cost and Management Accountants Act, 1966 [The Cost and Management Accountants (Amendment) Bill, 2017], as passed by the National Assembly, and referred to the Standing Committee on 20th February, 2017, for consideration and report.

2. The composition of the Standing Committee is given as under: -

(1)	Senator Saleem Mandviwalla	Chairman
(2)	Senator Ilyas Ahmed Bilour	Member
(3)	Senator Muhammad Mohsin Khan Leghari	Member
(4)	Senator Ms. Ayesha Raza Farooq	Member
(5)	Senator Muhammad Talha Mahmood	Member
(6)	Senator Ms. Nasreen Jalil	Member
(7)	Senator Kamil Ali Agha	Member
(8)	Senator Mushahid Uallah Khan	Member
(9)	Senator Saud Majeed	Member
(10)	Senator Sardar Fateh Muhammad Muhammad Hassani	Member
(11)	Senator Osman Saifullah Khan	Member
(12)	Senator Mohsin Aziz	Member
(13)	Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization	Ex-Officio Member

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3. The Committee considered the said Bill in its meetings held on 8th March and 6th April, 2017. The last meeting was attended by the following, namely:-

(1) Senator Saleem Mandviwalla	Chairman
(2) Senator Ilyas Ahmed Bilour	Member
(3) Senator Muhammad Mohsin Khan Leghari	Member
(4) Senator Sardar Fateh Muhammad Muhammad Hassani	Member

4. The Committee in its meeting held on 8th March, 2017, considered the Bill clause by clause and held a threadbare discussion and decided to invite representatives of the Institute of Cost and Management Accountants (ICMA) to seek their views on the Bill.

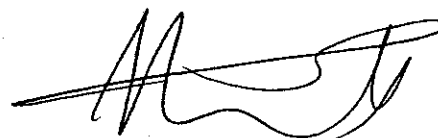
5. The Committee in its meeting held on 6th April, 2017, invited the representatives of the Institute of Cost and Management Accountants of Pakistan (ICMA) as a main stakeholder in the Bill, to give their comments/point of view in that regard.

6. The representative of the ICMA apprised the Committee that they had proposed two amendments in the Cost and Management Accountants Act, 1966, i.e. change of designation of members from "Cost and Management Accountant" to "Chartered Management Accountant" and Sector Specific Certification in Cost Accounting, however, the National Assembly Standing Committee on Finance while considering said amendments recommended that the word "Chartered" should not be part of the amendment. Upon a query raised by the Committee, he replied that the word "Chartered" was proposed to make our qualification aligned with the international qualification because it was recognized all around the world. He said that ICMA was of the view that if the word "Chartered" was not incorporated in the amendment then the second amendment as proposed by the ICMA which has already been incorporated in the Bill, by the National Assembly would become redundant.

7. The Secretary Finance Division requested the Committee to give ten days time to confirm the passage of the Bill by the Committee in its present form or otherwise. The Committee, therefore, acceded the request of the Secretary Finance Division.
8. During the course of a meeting of the Committee held on 13th April, 2017, at Parliament House, Islamabad, the Secretary Finance Division suggested the Chairman Committee that the Committee may not recommend the Bill, as the Finance Division would withdraw the same from the House.
9. In view of above, the Committee recommended that the Cost and Management Accountants (Amendment) Bill, 2017, as passed by the National Assembly, may not be passed by the Senate. The Committee gave approval for presentation of this report to the House accordingly.
10. The Bill, as passed by the National Assembly, is annexed.



(MUHAMMAD TAHIR KHAN)
Secretary (Committee)



(SENATOR SALEEM MANDVIWALLA)
Chairman (Committee)

Islamabad, the
14th April, 2017

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further to amend the Cost and Management Accountants Act, 1966

WHEREAS it is expedient further to amend the Cost and Management Accountants Act, 1966 (XIV of 1966), for the purposes hereinafter appearing;

It is hereby enacted as follows:-

1. Short title and commencement.—(1) This Act may be called the Cost and Management Accountants (Amendment) Act, 2017.

(2) It shall come into force at once.

2. Amendment of long title, Act XIV of 1966.—In the Cost and Management Accountants Act, 1966 (XIV of 1966), hereinafter referred to as the said Act, in the long title, for the words "cost and management accountants" the words "cost and management accountants and certified cost accountants" shall be substituted.

3. Amendment of preamble, Act XIV 1966.—In the said Act, in the preamble, in the first paragraph, for the words "cost and management accountants" the words "cost and management accountants and certified cost accountants" shall be substituted.

4. Amendment of section 2, Act XIV of 1966.—In the said Act, in section 2,-

(a) in sub-section (1), after clause (a), the following new clause (ab) shall be inserted, namely:-

"(ab) "certified cost accountant" means an associate or a fellow member of the Institute who has obtained the additional qualification required under this Act and the regulations made thereunder;"

5. Insertion of section 7A, Act XIV of 1966.—In the said Act, after section 7, the following new section 7A shall be inserted, namely:-

"7A. Certified cost accountant.- (1) A member of the Institute, whether in practice or otherwise, who has fulfilled the requirements of examination and training or thesis and practical experience or any combination of the above, as may be prescribed for this purpose by the Council for specific sectors of the economy, shall be entitled to use the designation of certified cost accountant for the said sectors of the economy and shall be entitled to use the letters C.C.A after his name, in addition to any other letters he may be authorized to use, to indicate that he is a certified cost accountant.

(2) Where a member of the Institute describes himself as a certified cost accountant and uses the letters C.C.A after his name, he shall also specify the sectors of the economy in which he has been certified.

(3) The Council shall prescribe the qualifications and other requirements for the purposes of this section."

6. Amendment of section 21, Act XIV of 1966.—In the said Act, in section 21,-

(a) for clause (1), the following shall be substituted, namely:-

"(1) not being a member of the Institute, represents that he is a member of that Institute, or uses the designations provided under this Act, or the letters A.C.M.A., F.C.M.A., C.C.A."

STATEMENT OF OBJECTS AND REASONS

In view of the International practices it is evident that no other country is using the word "chartered". The Federal Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization has been pleased to approve the withdrawal of proposed amendments to change the name from the "Cost Management Accountants" to "Chartered Management Accountants"

Furthermore, the expertise of the members of the Institute in cost accountant can be utilized by allowing sector / industry specific specialization in cost accountant necessitating introduction of enabling provisions under the Act authorizing Institute to offer certification in cost accountant for specific sectors of the economy / industry.

SENATOR MOHAMMAD ISHAQ DAR
Minister for Finance, Revenue,
Economic Affairs, Statistics
and Privatization