

PARLIAMENT OF THE DEMOCRATIC

SOCIALIST REPUBLIC OF

SRI LANKA

INSTITUTE OF CERTIFIED MANAGEMENT

ACCOUNTANTS OF SRI LANKA

ACT, No. 23 OF 2009

[Certified on 20th April, 2009]

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Institute of Certified Management Accountants 1

of Sri Lanka Act, No. 23 of 2009

[Certified on 20th April, 2009]

L.D.—O 46/2006.

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE INSTITUTE OF

CERTIFIED MANAGEMENTACCOUNTANTS OF SRI LANKA AND OF A

COUNCIL OF THE INSTITUTE WHICH SHALL BE RESPONSIBLE FOR THE

MANAGEMENT OF ITS AFFAIRS; TO PROVIDE FOR THE REGISTRATION OF

MEMBERS OF THE INSTITUTE AND TO SPECIFY CRITERIA FOR AND THE

MAINTENANCE OF PROFESSIONAL STANDARDS AND DISCIPLINE BY

MEMBERS OFTHEINSTITUTE; ANDTOPROVIDEFORMATTERS CONNECTED

THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist

Republic of Sri Lanka as follows :—

1. This Act may be cited as the Institute of Certified Short title.

Management Accountants of Sri Lanka Act, No. 23 of 2009.

PART I

CONSTITUTION, OBJECTS AND POWERS OF THE INSTITUTE OF CERTIFIED

MANAGEMENTACCOUNTANTS OF SRI LANKA

2. (1) There shall be established an Institute which shall Establishment of

be called the “Institute of Certified Management Accountants the Institute of

Certified

of Sri Lanka” (hereinafter referred to as the “Institute”)

Management

consisting of the persons who are for the time being members Accountants of

of the Society of Certified Management Accountants of Sri Sri Lanka.

Lanka incorporated under the Societies Ordinance (Chapter

123).

(2) The Institute shall, by the name assigned to it by

subsection (1), be a body corporate and shall have perpetual

succession and a common seal and may sue and be sued in

such name.

3. The general objects for which the Institute is General objects

constituted are hereby declared— of the Institute.

(a) to provide for a professional organization for

management accountants;

2—PL 003704—4,200 (02/2009)

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(b) to promote and develop the study of management

Accountancy; to establish and issue management

Accountancy Standards; and to encourage the

application of correct principles, techniques and

practices of Management Accountancy;

(c) to take necessary steps to promote the profession of

Management Accountancy in its practice to

industry, commerce, education, finance, public

service and information technology;

(d) to conduct a Certified Management Accounting

Program leading to the Professional Management

Accounting qualification and to take steps to

emphasize the importance of such a qualification;

(e) to provide for a post management accounting

qualification for the professional development

of members at both Masters and Doctorate levels;

(f) to monitor the admission of members to the

membership of the Institution;

(g) to undertake and regulate the professional

education and practical training of persons who are

keen to qualify in Management Accountancy and

to approve a Practical Training Scheme to be

followed by the students;

(h) to prescribe and approve courses of study being

conducted by the Institute, taking into

consideration its functions in relation to education,

training and examination;

(i) to conduct examinations for the grant of the

required professional qualifications and to

collaborate with recognized local and foreign

professional and educational Institutions to

promote studies in such institution and to obtain

exemptions and recognition in the field of

Management Accountancy for members of the

Institute;

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(j) to promote, collaborate and assist in the study of

Management Accountancy, at Universities and

other Higher Educational Institutions;

(k) to prescribe the qualifications and disqualifications

applicable for membership to the Institute and to

establish standards of professional conduct and

ethics for members of the Institute;

(l) to organize, supervise and regulate continuing

professional education for the benefit of the

members;

(m) to maintain a library of both print and electronic

media, books and periodicals, relating to

Management Accountancy and related subjects for

the use of members, students and those interested

in the field of Management Accountancy;

(n) to encourage the publication of books and

periodicals relating to Management Accountancy;

(o) to grant scholarships, awards and prizes for those

who excel in the field of Management

Accountancy; and

(p) to award Diplomas and Certificates to the members

of the Institute and to those who fulfill the

conditions prescribed by the Institute.

4. The following persons shall be eligible for Eligibility for

membership of the Institute:— Membership of

the Institute.

(a) any person who passes the qualifying examinations

for membership of the Institute to be conducted by

the Council under this Act and who possess such

practical training as may, from time to time be

prescribed by the Council; or

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(b) any person who is a member of any professional

body of Accountants by whatever name called and

which is approved by rules made by the Council

for the time being, and such Association is, in the

opinion of the Council, an Association of equivalent

status to the Institute.

Classification of 5. (1) The members of the Institute shall comprise Fellow

members. Members and Associate Members.

(2) A student on completion of all examinations of the

Institute and acquiring a minimum of three years of practical

experience in an approved sector as prescribed by the

Council upon application being made to the Council and

payment to the Council of the prescribed fee shall be eligible

for registration as an Associate of the Institute by the

Council. Such member shall upon registration by the Council

as an Associate of the Institute be entitled to use the addition

“ACMA” after his name.

(3) Any Member of the Institute who satisfies the Council

that he has been an Accountant, Management Consultant or

a lecturer in a university established under the Universities

Act, No. 16 of 1978 for not less than five years with a

minimum of three years Senior Managerial or equivalent

experience and who has fulfilled such requirements as may

be prescribed by the Council shall be eligible for registration

as a Fellow of the Institute by the Council. Any person eligible

for registration may forward an application to the Council

for registration along with the prescribed fee. A member

shall, upon registration by the Council as a Fellow of the

Institute, be entitled to use the addition “FCMA” after his

name.

(4) Every member of the Institute who is not registered

under subsection (3) as a Fellow of the Institute shall be an

Associate Member and shall have the right to use the addition

of “ACMA” after his name to indicate that he is an Associate

Member.

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(5) Every Member of the Institute shall be entitled to take

and use the title “Certified Management Accountant (CMA)”.

(6) No person, not being a Member of the Institute shall

take or use the title “Certified Management Accountant

(CMA)” or any addition mentioned in subsections (3) and

(4) above.

6. (1) No person shall take or use any title either by Use of titles and

description or abbreviation or the logo of the Institute, unless logo.

such person is eligible under section 5 and has been

authorized in writing by the Council of the Institute to do so.

(2) Any person who contravenes the provisions of

subsection (1) shall be guilty of an offence.

7. The Institute shall have such powers, duties and Powers &c., of

functions as may reasonably be necessary to carry out its the Institute.

objects and in particular may—

(a) acquire in any manner whatsoever and hold, take

or give on lease or hire, mortgage, pledge, sell or

otherwise dispose of, any movable or immovable

property;

(b) establish and operate management training and

education centres;

(c) conduct, assist, co-ordinate and encourage research

into all aspects of management;

(d) appoint, employ, remunerate and exercise

disciplinary control over its officers and servants;

(e) levy fees or charges for any service rendered by the

Institute;

(f) pay fees or charges for any services rendered to the

Institute;

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(g) import equipment required for the purposes of the

Institute, and receive equipment, funds, and any

other assistance for carrying out the objects of the

Institute;

(h) obtain the services of personnel to carry out the

objects of the Institute;

(i) establish work performance standards for its own

personnel, evaluate such performance and take

reasonable action thereupon;

(j) establish and maintain welfare and recreational

facilities for its employees;

(k) make rules in relation to its officers and servants

including the appointment, training, promotion,

remuneration, disciplinary control, conduct and

grant of leave;

(l) make rules in respect of the general administration

of the Institute;

(m) to issue guidelines and standards in Management

Accounting for the members of the Institute;

(n) to open and operate bank accounts, to borrow money,

to receive grants and donations, and to invest funds;

(o) to defend the intellectual property rights of the

Institute;

(p) to make rules, not inconsistent with the provisions

of this Act for the management of the Institute and

accomplishment of its objects. These rules when

made may be altered, added, amended or rescinded,

in the manner provided for herein.

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8. (1) There shall be a Governing Council (hereinafter Constitution of

referred to as the “Council”) responsible for the management, the Council.

control and administration of the Institute.

(2) The Council shall consist of—

(a) President and Vice-President elected by the

members of the Institute among its membership;

(b) the following ex-officio members:—

(i) the Governor of the Central Bank of Sri Lanka

or his nominee;

(ii) the President of the Institute of Chartered

Accountants of Sri Lanka or his nominee who

is a current member of the Council of the

Institute;

(iii) the Head of the Department of Accounting of

the University of Sri Jayawardanapura or his

nominee; and

(c) three members elected by the members of the

Institute among its membership.

(3) The members of the Council of the Society of Certified

Management Accountants of Sri Lanka holding office on

the day immediately preceding the date of the coming into

operation of this Act, shall be the members of the first Council

of the Institute established herein, and shall hold office for a

period of four years.

(4) Elections for the election of members in terms of

paragraphs (a) and (c) of subsection (2) shall be conducted

in accordance with the rules of the Council.

9. (1) Every member of the Council shall, unless he Term of office

earlier vacates office, hold office for a period of two years of members of

the Council.

from the date of his appointment or election as the case

may be:

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Provided however, that the members appointed under

subsection (3) of section 8 holding office at the expiration

of period of four years from the date referred to in that

subsection shall thereupon vacate office, but shall be eligible

for re-election.

(2) A member of the Council shall vacate office by

resignation therefrom or if he ceases to be a member of the

Institute.

(3) In the event of the death of, or vacation of office by a

member of the Council, another person shall, in accordance

with the provisions of section 7, be appointed or elected, as

the case may be, in place of such member, and shall hold

office during the remaining part of the term of office of such

member.

(4) Any member of the Council who vacates office by

effluxion of time shall be eligible for reappointment or

re-election as a member.

(5) A member of the Council shall be deemed to have

vacated office on failure to attend three consecutive meetings

of the Council unless excused by the Council or upon such

member ceasing to be a member of the Institute.

Acts or 10. No act or proceeding of the Institute shall be deemed

proceedings of to be invalid by reason only of the existence of any vacancy

the Institute

deemed not to in the Council or defect in the appointment of any member

be invalid by of the Council.

reason of any

vacancy or

defect in the

appointment of

a member.

Appointment of 11. It shall be lawful for the Council to appoint an

an Advisory Advisory Board consisting of not more than ten eminent

Board.

persons for a period not exceeding two years. The Council

may, at its discretion, seek the views and advice of the

Advisory Board, but it shall in no way be bound to accept or

execute any such advice.

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12. The Council may from time to time invite Patrons of the

distinguished local or foreign persons of eminence having a Institute.

professional background to serve as Patrons of the Institute.

They shall not be required to pay any entrance fees or annual

subscriptions.

13. All or any of the members of the Council may be Remuneration of

members.

paid such remuneration out of the funds of the Institute as

may be determined by the Council.

14. (1) The meetings of the Council shall be held at Meetings of the

least once a month. Council.

(2) At least seven days notice of every meeting of the

Council shall be given in writing to each of the members,

and such notice shall specify the business to be dealt with at

such meeting.

(3) The President shall summon a special meeting of the

Council within seven days after being requested in writing

to do so by five members of the Council.

(4) The quorum for a general meeting of the Council shall

be three members present in person or by proxy.

(5) Every member who attends a meeting of the Council

shall be paid a fee or re-imbursement of any expenses incurred

in attending such meeting, in such amount as may be

determined by the Council.

(6) The President shall preside at meetings of the Council

and in the absence of the President from any meeting of the

Council a member chosen by the majority of members present

shall preside at such meeting.

(7) If the President is by reason of illness or other infirmity

or absence from Sri Lanka, temporarily unable to perform

the duties of his office the Council may appoint one of the

members to act in his place.

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(8) Where three is an equality of votes on any matter or

thing decided at a meeting of the Council, the President at

such meeting shall, in addition to his vote, have a castingvote.

(9) Subject to the provisions herein contained, the

Council may determine its own procedure for the transaction

of business of the Council.

PART II

APPOINTMENT OF OFFICERS AND SERVANTS OF THE INSTITUTE

Appointment of 15. (1) The Council may appoint to the staff of the

the Chief Institute, a Chief Executive Officer, who shall administer

Executive

Officer of the the affairs of the Institute.

Institute.

(2) The Chief Executive Officer shall exercise, perform

and discharge such powers, duties and functions as may be

delegated to him.

(3) The Council may remove from office the Chief

Executive Officer appointed under subsection (1).

(4) The Chief Executive Officer may be paid such

remuneration as may be determined by the Council.

Powers of the 16. (1) Subject to the other provisions of this Act, the

Institute in Council may—

regard to

appointments to

(a) appoint to the staff of the Institute such other officers

the staff of the

Institute. and servants as may be necessary for the purposes

of the Institute;

(b) dismiss and exercise disciplinary control over the

staff of the Institute;

(c) fix the wages or salaries or other remuneration of

the staff;

(d) determine the terms and conditions of service of

such staff; and

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(e) establish and regulate provident funds and schemes

for the benefit of such staff and make contributions

to any such fund or scheme.

(2) Rules may be made in respect of any one or all matters

specified in subsection (1).

17. (1) The Council may delegate to the Chief Delegation of

Executive Officer any of its powers relating to the powers of the

Council of the

appointment of other officers or servants to the staff of the

Chief Executive

Institute. The conditions of employment including Officer in regard

remuneration of any of the members of the professional staff to appointments.

appointed by the Chief Executive Officer under the powers

delegated to him, shall be determined with the approval of

the Council.

(2) The dismissal, by the Chief Executive Officer or any

officer or servant or any member of the professional staff

of the Institute shall not take effect unless it is approved by

the Council.

18. The Chief Executive Officer with the concurrence Determination

of the Council shall determine the duties of the officers and of duties.

servants of the Institute.

19. (1) The Council may make rules in respect of— Rules.

(a) the classification of membership, fees payable by

each class of member, their admission, withdrawal,

expulsion for non payment of membership fees or

resignation;

(b) appointment, employment and dismissal of various

officers, agents and servants of the Institute, their

powers, duties, functions and conduct and

the payment of remuneration and the regulation

of provident funds and other schemes for their

benefit;

(c) fixing of the student registration fees, annual

subscription, exam fees, lecture fees, prices of study

texts and other publications;

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(d) appointment of committees and sub-committees of

the Council consisting of members of the Council

and the membership of the Institute to deal with

specific subjects and the regulation of the functions

of such committees;

(e) the administration and management of the property

of the Institute;

(f) election of, or vacation of or removal from

office of, the members of the Council and their

resignation, from office, office-bearers and their

powers, duties and conduct;

(g) the procedure to be observed at the summoning

and holding of meetings, Annual General Meetings

and Extraordinary Meetings of the Council and the

Institute, filling of vacancies, notices and agenda

of such meeting, the quorum thereof and the

conduct of business thereat;

(h) the qualifications and disqualifications for

membership of the Council and the Institute;

(i) the setting up of disciplinary committees and

formulation of code of ethics and the exercise of

disciplinary control over the members, disciplinary

procedure and expulsion of members or suspension

of membership; and

(j) the entry criteria for admission of students for the

Certified Management Accountancy (CMA)

Programme.

(2) Every rule made by the Council under paragraphs (f)

to (j) of subsection (1) of section 19 shall be approved by the

Minister.

(3) Every rule made under this section shall be published

in the Gazette.

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PART III

FINANCE

20. (1) The Institute shall have its own Fund. The Fund of

Institute.

(2) There shall be credited to the Fund of the Institute all

sums of money received by the Institute in the exercise,

discharge and performance of its powers, functions and

duties.

(3) The Council may invest moneys of the fund in any

securities issued or guaranteed by the Government of

Sri Lanka.

(4) The Council may maintain, in any approved Bank or

Banks in Sri Lanka, Call, Current, Savings or Deposit

Accounts.

(5) All sums of money required to defray any expenditure

incurred by the Institute in the exercise, performance and

discharge of its powers, duties and functions shall be charged

on the Fund.

21. The financial year of the Institute shall be the Financial year of

calendar year. the Institute.

22. (1) The Institute shall cause proper accounts to be Audit of

kept of its income and expenditure, assets and liabilities accounts.

and all other transactions of the Institute.

(2) The accounts of the Institute shall be audited annually

by a qualified auditor appointed by the Institute.

(3) In this section “qualified auditor” means—

(a) an individual who, being a member of the Institute

of Chartered Accountants of Sri Lanka, or of any

other Institute established by law, possesses a

certificate to practice as an Accountant issued by

the Council of such Institute; or

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(b) a firm of Accountants, each of the resident partners

of which being a member of the Institute of

Chartered Accountants of Sri Lanka or of any other

Institute established by law, possesses a certificate

to practice as an Accountant issued by the Council

of such Institute.

Contracts. 23. (1) Any contract entered with on behalf of the

Institute may be made as follows:—

(a) if made between private persons, would by law be

required to be in writing, may be made on behalf of

the Institute in writing under the common seal of

the Institute;

(b) if made between private persons, would by law be

required to be in writing, signed by the parties to be

charged therewith, may be made on behalf of the

Institute in writing signed by any person or persons

duly authorized thereto by the Institute;

(c) if made between private persons, would by law be

valid though made orally and not reduced into

writing, may be made orally on behalf of the Institute

by any person or persons duly authorized thereto

by the Institute.

(2) A contract made according to this section shall be

effectual in law and shall bind the Institute and all persons

thereto and their legal representatives.

Recovery of 24. Any expense incurred by the Institute in any suit or

expenses prosecution brought by or against the Institute before any

incurred by the

court shall be paid out of the funds of the Institute and any

Institute.

cost paid to be recovered by the Institute in any suit or

prosecution shall be credited to the Fund of the Institute.

Protection of 25. (1) No civil or criminal proceedings shall be

acts done under instituted—

this Act or on

the directions of (a) against the Institute for any lawful act which in

the Institute.

good faith is done or purported to be done by the

Institute under this Act; or

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(b) against any member, officer, servant or agent for

any act which in good faith is done or purported to

be done by such member, officer, servant or agent

under this Act or on the directions of the Council,

as the case may be.

(2) Any expense incurred by any person specified in

subsection (1) in any suit or prosecution brought against

such person before any Court for any act done under this Act

or on the direction of the Institute shall if the Court

determines that such act was done in good faith be paid out

of the Fund of the Institute.

26. No writ against person or property shall be issued No writ to issue

against a member of the Council in any action brought against person

or property of a

against the Institute.

member of the

Council.

27. Every person who commits an offence under this Offences and

Act shall on conviction after trial before a Magistrate be penalties.

liable to imprisonment of either description for a period not

exceeding six months or to a fine not exceeding five hundred

rupees or to both such fine and imprisonment.

28. In the event of any inconsistency between the Sinhala text to

Sinhala and Tamil texts of this Act, the Sinhala text shall prevail in case

of inconsistency.

prevail.

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