

## CONSTITUTION

### 1. Name

The name of the Institute is the "SOUTH AFRICAN INSTITUTE OF PROFESSIONAL ACCOUNTANTS" (SAIPA), previously known as "Association of Commercial and Financial Technicians of Southern Africa", "Institute of Accounting Technicians of Southern Africa", "Institute of Commercial and Financial Accountants of Southern Africa" and "Institute of Certified Public Accountants of South Africa".

### 2. Interpretation and Definitions

2.1 In the interpretation of the Constitution and of every other document issued by, or under the authority of, the Institute, words and expressions in the male gender shall include the female gender, and words and expressions in the singular shall include the plural and vice versa, unless inconsistent with the subject or context.

2.2 The definitions contained in the Constitution shall apply to every other document issued by, or under the authority of, the Institute, unless otherwise provided or unless inconsistent with the subject and context.

2.3 In the interpretation of the Constitution and of every other document issued by, or under the authority of, the Institute, the English language text shall be deemed authoritative and binding.

2.4 In the Constitution, unless inconsistent with the subject and context:

2.4.1 **"Affiliate"** means a natural person who has been admitted to affiliateship of the Institute and is registered with the Institute, as specified in the By-laws.

2.4.2 **"Approved Training Centre" (ATC)** means a member registered as an Approved Training Centre (ATC) by the Institute.

2.4.3 **"Associate"** means a natural person who has been admitted to associateship of the Institute and is registered with the Institute, as specified in the By-laws.

2.4.4 **"Board"** means the Board of the Institute.

2.4.5 **"By-laws"** means the By-laws of the Institute from time to time in force under the Constitution.

- 2.4.6 **“Chairman”** means the Chairman of the Institute and shall include the person who holds the office of Chairman of the Institute from time to time by whatever title that person may be known.
- 2.4.7 **“Chief Executive”** means the Chief Executive of the Institute and shall include the person who holds that appointment from time to time by whatever title the person may be known.
- 2.4.8 **“Code of Conduct”** means the Code of Conduct of the Institute from time to time in force under the Constitution and By-laws, this being the Code of Ethics for Professional Accountants, issued from time to time by the International Ethics Standards Board for Accountants (IESBA) of the International Federation of Accountants (IFAC), or their respective successors, with such variations thereto as (a) the statutory and other provisions of relevant regulatory bodies in the Republic and other provisions of South African law may require; and (b) the Board may from time to time deem appropriate.
- 2.4.9 **“Committee”** includes committees, task forces, working parties and other groups.
- 2.4.10 **“Constituency”** means the whole body of members of a Regional Association or other body, as the case may be.
- 2.4.11 **“Constitution”** means the Constitution of the South African Institute of Professional Accountants from time to time in force.
- 2.4.12 **“Co-opt”** means elect into voting membership of the Board in terms of paragraph 5.2.1 and Co-opted shall be construed accordingly.
- 2.4.13 **“District”** means a geographical area forming part of a Region, as determined from time to time by the Board.
- 2.4.14 **“Financial Year”** means the period from 1<sup>st</sup> January to 31<sup>st</sup> December or such other period as the Board may from time to time determine.
- 2.4.15 **“Foreign Member”** means a member who is ordinarily resident outside the Republic and who has been admitted to the Institute as a foreign member and who is registered with the Institute, as specified in the By-laws.
- 2.4.16 **“Honorary Member”** means a natural person who is a non-member and who has been admitted to honorary membership of the Institute under the By-laws.
- 2.4.17 **“Institute”** means the South African Institute of Professional Accountants.

- 2.4.18 **“The International Federation of Accountants” (IFAC)** is the organisation of that name, founded on 7 October 1977, in Munich, Germany, at the 11<sup>th</sup> World Congress of Accountants.
- 2.4.19 **“Learnership”** means a work-based route for learning and gaining qualifications under the South African Qualifications Authority (SAQA) Act (Act 58 of 1995), the Skills Development Act (SDA) (Act 97 of 1998) and the Skills Development Levies Act (SDLA) (Act 9 of 1999) and any amendment thereof.
- 2.4.20 **“Life Member”** means a member who has been admitted to life membership of the Institute under the By-laws.
- 2.4.21 **“Member” and “Member of the Institute”** mean a natural person who has been admitted to membership of the Institute as a Professional Accountant (SA) and who is registered with the Institute, as specified in the By-laws, and includes life members, foreign members, non-resident members and reciprocal members.
- 2.4.22 **“Member in good standing”** means a member who has paid in full all subscriptions, dues, fees, contributions, levies or other monies payable by that member to the Institute, who is not in material breach of any of the provisions of the Constitution or of any By-law, Code of Conduct or other provision and who has complied with the Institute’s continuous professional development (CPD) requirements; and the phrase “in good standing” shall apply *mutatis mutandis* to members of other categories of membership.
- 2.4.23 **“Members of all categories”** means members, life members, ATCs, associates, affiliates, students, trainee accountants and any other category of members of the Institute (other than honorary members) from time to time specified in the By-laws; and **“all categories of membership”** and other references to category or categories of membership shall be construed accordingly.
- 2.4.24 **“Non-member”** means a natural person who is not in any category of membership.
- 2.4.25 **“Non-resident member”** means a member who is ordinarily resident outside the Republic throughout the year.
- 2.4.26 **“The profession”** means the accountancy profession.

- 2.4.27 **“Reciprocal Member”** means a person who is a member in good standing of a professional accountancy organisation with which the Institute has a reciprocal membership agreement, who has been admitted to the Institute as a member by virtue of that recognition and who is registered with the Institute, as specified in the By-laws.
- 2.4.28 **“Region”** means a geographical area in the Republic, as determined by the Board from time to time which has been designated by the Board as a region of the Institute as specified in the By-laws.
- 2.4.29 **“Regional Association”** means an association of members of all categories resident in a region, which has been established as such by the Institute under the By-laws.
- 2.4.30 **“Regulations and other provisions”** means the Regulations and other provisions issued by, or under the authority of, the Institute, by whatever name, from time to time in force under the Constitution and the By-laws.
- 2.4.31 **“the Republic”** means the Republic of South Africa.
- 2.4.32 **“Student”** means a natural person who has been admitted to student membership of the Institute under the By-laws.
- 2.4.33 **“Trainee accountant”** (also known as a **“Learner”**) means a natural person engaged in a learnership who has been admitted to membership of the Institute as a trainee accountant under the By-laws.
- 2.4.34 **“Vice-chairman”** means the Vice-chairman of the Institute and shall include the person who holds the office of Vice-chairman of the Institute from time to time by whatever title the person may be known.

### 3. Legal Persona

The Institute is a body corporate with perpetual succession capable of suing and being sued in its own name and performing such acts as are necessary for, or incidental to, the achievement of its objectives, the exercise of its powers and the performance of its functions and duties under the Constitution or under any statute of the Republic.

#### 4. Objectives

The objectives of the Institute are:

- 4.1 To advance all aspects of the theory and practice of accountancy and contribute to the development and enhancement of an accountancy profession able to provide services of consistently high quality in the public interest;
- 4.2 To maintain and enhance the professional independence, prestige and standing of the profession and its members, both nationally and internationally;
- 4.3 To uphold and enforce a high standard of efficiency and professional conduct by all members of all categories in the interests of the profession and the public generally, and to take all action necessary to prevent, minimise the incidence of, and stop professional misconduct and, for this purpose, to institute and implement fair, proportionate and effective investigative and disciplinary processes with penalties that include suspension of, or expulsion from, membership;
- 4.4 To encourage entry to, and upward mobility in, the profession towards membership of the Institute as part of a managed and measured process with the intent that the membership of the Institute should reflect the racial demography of the Republic, and to devise and deliver educational and training programmes and establish processes for monitoring and review of progress, in support of this process;
- 4.5 To promote, and demonstrate a commitment to, diversity and racial and gender equality and to participate in the creation and maintenance of support programmes and monitoring and review processes, to ensure delivery of such programmes;
- 4.6 To promote and develop the common interests of all categories of members and the welfare of the profession having regard to the wider public interest and give voice to such interests;
- 4.7 To take such action as may be necessary to sustain and enhance the governance, status and professional image of the Institute, including compliance, as far as practicable, with the recommendations of current recognised frameworks and future revisions thereof, and the facilitation of, or participation in, corporate responsibility and related projects for the accountancy profession;
- 4.8 To provide, in support of life-long learning and continuous professional development, products and services for members of all categories, members of other professions and interested members of the public, and to charge reasonable fees to persons attending such courses and/ or purchasing such course material.

- 4.9 To co-operate with and, if necessary, assist financially by way of a grant or sponsorship or otherwise those educational institution, Regional Councils and District Associations which provide education and training for persons wishing to qualify as Professional Accountants, Associates or Affiliates.
- 4.10 To publish, distribute and sell to members of all categories, members of other professions and interested members of the public journals, books pamphlets or other publications relating to the professional affairs of the Institute or of its members or relating to the accountancy profession.
- 4.11 To provide for the amicable resolution of disputes between all categories of members of the Institute and their clients and/or other stakeholders;
- 4.12 To consider and comment on existing and proposed legislation in the Republic directly or indirectly pertaining to the profession;
- 4.13 To provide for research into all accountancy-related matters with appropriate provision for library, information technology and other support facilities;
- 4.14 To provide members with relevant information on developments in the accountancy and related professions;
- 4.15 To provide opportunities for an exchange of knowledge, experience and views amongst the membership and related organisations;
- 4.16 To participate in the work of IFAC and the Pan-African Federation of Accountants (PAFA) and other relevant bodies and, more generally, to co-operate with national and international accountancy and other professional bodies in the interests of the profession, the Institute and the public;
- 4.17 To initiate, organise and manage national and international congresses of accountants;
- 4.18 To accredit institutions providing education and/or training in accountancy and other relevant disciplines;
- 4.19 To establish and accredit approved training programmes or centres and to accredit trainers in accountancy and other relevant disciplines and to regulate such training schemes or centres;
- 4.20 To co-operate with, and comply with the requirements of, all relevant regulatory authorities and other public bodies in the Republic;
- 4.21 To prescribe the academic, training and qualification requirements to be obtained by any person wishing to be admitted to any category of membership;
- 4.22 To determine and identify any exemptions from the academic, training and qualification requirements for admission to all categories of membership of the Institute;

- 4.23 To take action and provide advice and other input on all matters of concern to the profession which may be expedient and in the interest of members of all categories and the general public;
- 4.24 To establish partnerships and other entities and enter into other arrangements with third parties to achieve any of the above objectives;
- 4.25 Generally, to do such other things as may be incidental or conducive to the attainment of the above objectives.

## 5. The Board

### 5.1 Composition

The Board shall consist of:

- 5.1.1 One member from the constituency of each of the Regional Associations, selected by the Nominations Committee from candidates nominated for appointment to the Board from time to time in accordance with the By-laws, and appointed by the Board on the recommendation of the Nominations Committee, provided always that the number of appointees under this provision shall not exceed fifty per cent of the total voting membership of the Board.
- 5.1.2 Two persons nominated for appointment from time to time by the Association for the Advancement of Black Accountants of Southern Africa (ABASA) or its successor in consultation with the Nominations Committee.
- 5.1.3 Three other members and two non-members nominated by members of the Institute for consideration for appointment and elected from time to time on the recommendation of the Board and the Nominations Committee by those members in good standing who have timeously returned duly completed nomination forms for submission and counting of votes at a duly constituted annual general meeting of the Institute, together with such members, elected in accordance with this clause, as shall be necessary to comply with the fifty per cent rule in paragraph 5.1.1, above.
- 5.1.4 The Chief Executive, *ex officio*, who shall be a voting member of the Board.
- 5.1.5 Not more than three persons, co-opted to the Board for not more than four consecutive years in terms of paragraph 5.2 below.
- 5.1.6 All Board members shall be residents of the Republic.
- 5.1.7 At least three of the above members of the Board shall not be connected persons in relation to each other.

## **5.2 Co-option of members and appointment of observers**

The Board shall, as it deems necessary, have the right at any time to -

- 5.2.1 co-opt not more than three additional persons to the Board who shall be entitled to vote;  
and
- 5.2.2 appoint any one person to the Board as a non-voting observer, provided that any co-option or appointment in terms of this paragraph is agreed by three-fourths of the members of the Board as constituted at the time.

## **5.3 Election of the Chairman and Vice-Chairman**

The Board shall elect from those of its members who are also members of the Institute a Chairman and a Vice-Chairman to hold office as Chairman and Vice-Chairman, respectively, of both the Institute and the Board. The person appointed as Chairman shall have served on the Board for not less than nine months immediately prior to his election as Chairman.

## **6. Duties, powers and functions of the Board**

- 6.1 The role of the Board is to accept the fiduciary responsibility of the Institute, manage the affairs of the Institute and to oversee, collaborate with, support and offer constructive challenge to the Chief Executive and the Chief Executive's management team, to ensure that agreed policies are delivered and that the affairs of the Institute are conducted in a way that is conducive to the attainment of the objectives set forth in the Constitution, this being the ultimate responsibility of the Board. The Board also has the ultimate responsibility to ensure that the Institute operates in a transparent and sustainable environment and that it has an effective and appropriate corporate governance structure.
- 6.2 In the performance of its role, the Board shall be entitled to exercise all the powers of the Institute other than those expressly reserved to the membership in a general meeting and do whatever it considers necessary to promote and advance the objectives set forth in the Constitution.
- 6.3 Unless otherwise provided for in the Constitution, all issues arising at a Board meeting, shall be decided by a simple majority of those voting, members in attendance and voting, and the chairman shall not have a casting vote in addition to his deliberative vote.
- 6.4 No single person may directly or indirectly control the decision making powers relating to the Institute.



- 6.5 Without prejudice to the generality of powers in paragraph 6.2 and in addition to any powers bestowed on it elsewhere in the Constitution or the By-laws, the Board shall, in furtherance of said role, have power on behalf of the Institute and in its name:
- 6.5.1 To purchase or otherwise acquire, take on lease, hire, exchange, improve, sell, let, exchange, mortgage, pledge, donate or otherwise dispose of or otherwise deal in movable, immovable and intellectual property of all kinds or any rights or interest therein, or any other asset of any kind;
  - 6.5.2 To acquire, encumber, apply or dispose of and generally to deal with any funds in any manner as it may deem fit;
  - 6.5.3 To receive and accept donations, grants, legacies, sponsorship, honoraria, or other moneys;
  - 6.5.4 To open and operate banking, savings and other accounts with any registered banking or financial institutions;
  - 6.5.5 To buy or sell or otherwise deal with shares or stock or debentures or bonds or any other interest in any company or body corporate or government agency, and generally to invest the funds and other assets of the Institute not required immediately for the ordinary purposes of the Institute in such manner as it may from time to time deem fit;
  - 6.5.6 To apply and otherwise the funds and income of the Institute in furtherance of the objectives of the Institute;
  - 6.5.7 To enter into all such contracts and do all such other acts and things as may, in the opinion of the Board, be necessary or expedient from time to time to advance or achieve the objectives of the Institute as set forth in the Constitution, provided that:
    - 6.5.7.1 The Institute may not have a share or other interest in any business, profession or occupation which is carried on by its members;
    - 6.5.7.2 No such activity shall directly or indirectly promote the economic self-interest of any member of the Board or other fiduciary or any employee of the Institute otherwise than by way of reasonable remuneration, as defined in paragraph 6.5.13;
    - 6.5.7.3 No member may directly or indirectly have any personal or private interest in the Institute.
  - 6.5.8 To take all steps necessary to enter and record the title and interest of the Institute in respect of its assets, liabilities, agreements and commitments and all projects and activities from time to time held, undertaken or performed by the Institute;

- 6.5.9 To institute and defend legal proceedings and recover debts due to the Institute;
- 6.5.10 To approve the annual business plan of the Institute and monitor the implementation thereof;
- 6.5.11 To determine the amount of, and levy, collect and recover annual and other subscriptions, dues, fees, contributions, levies, penalties and fines, costs and any other charges;
- 6.5.12 To approve and monitor the annual budget of the Institute;
- 6.5.13 To remunerate and pay reasonable expenses to employees, members of the Board committees and others attending meetings or performing any other functions on behalf of the Institute or providing any other service thereto; provided that no remuneration (as defined in the Fourth Schedule of the Income Tax Act No.58 of 1962 and any amendment thereof) which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered, shall be paid to any employee, office bearer, member or other person, nor does or shall the Institute economically benefit any person in a manner which is not consistent with the objects of the Institute;
- 6.5.14 To appoint the Chief Executive on the recommendation of the Nominations Committee and determine the designation, functions, salary and other conditions of employment of the Chief Executive;
- 6.3.15 To issue such by-laws, rules, codes of conduct, regulations and other provisions as may, in the opinion of the Board, be necessary or expedient from time to time to advance or achieve the objectives of the Institute as set forth in the Constitution and for the effective organisation and management of the Institute's affairs;
- 6.3.16 To interpret any provision of the Constitution in the event of a dispute as to its meaning, such interpretation being binding on all categories of membership of the Institute if approved by three-fourths of the voting members of the Board as constituted at the time, provided that, before issuing any such interpretation, the Board shall obtain and have regard to the advice of an experienced legal practitioner;
- 6.3.17 To prescribe the form and substance of instruments of appointment of proxies.

**7. Nominations Committee, Executive Committee, Audit and Risk Committee, Investigation Committee, Disciplinary Committee, Appeal Committee**

The Board shall establish a Nominations Committee, an Executive Committee, an Audit and Risk Committee, an Investigation Committee, a Disciplinary Committee and an Appeal Committee which shall be constituted and appointed as provided for in the By-laws and which shall have the powers to carry out the duties and exercise the functions delegated to those committees under the By-laws.

**8. Other Committees**

Without prejudice to the application of paragraph 7 in relation to the composition, appointment and powers of the committees specified therein, the Board may establish other committees to assist it in the performance of its functions and may appoint members and non-members to serve on such committees as it deems appropriate.

**9. Financial Transactions and Audit of Financial Records**

The financial transactions of the Institute shall be conducted by means of a banking account and the Institute's financial records shall be audited by a registered auditor.

**10. Funds of the Institute**

10.1 Substantially the whole of the Institute's funding shall be derived from its, annual or long- term, members of all categories and/ or any appropriation by the Government of the Republic in the national, provincial or local sphere.

10.2 The Institute shall not make any distribution of surpluses, profits, dividends or the like in any manner to any member of any category of membership.

10.3 No person in any category of membership or office bearer of the Institute has any rights in the property, funds and any other assets of the Institute solely by virtue of his being a member or office bearer.

10.4 No person who has ceased to be a member of any category of membership, nor his executors, administrators, heirs or assigns, shall in any circumstance have any claim against the Institute by reason only of such previous membership.

10.5 Should the Institute be wound up, its property, funds and any other assets shall be dealt with in accordance with the provisions of the Constitution and the By-laws.

## 11. Annual General Meeting

- 11.1 The Annual General Meeting of the Institute shall be held within six calendar months of the end of the financial year of the Institute at such place, date and time as the Board shall decide for the purpose of transacting the following business of the Institute:
- 11.1.1 The consideration of the reports of the Chairman and Chief Executive;
  - 11.1.2 The consideration of the audited annual financial statements of the Institute;
  - 11.1.3 The consideration of the auditor's report;
  - 11.1.4 The appointment of the registered auditor;
  - 11.1.5 The election of Board members under paragraph 5.1.3 of the Constitution;
  - 11.1.6 The announcement of the appointment of the Chairman and Vice-chairman and of Board members nominated for appointment under paragraphs 5.1.1 and 5.1.2 of the Constitution and of any persons co-opted, or appointed to the Board as observers, under paragraphs 5.1.5 and 5.2 of the Constitution, since the date of the previous annual general meeting;
  - 11.1.7 The announcement of the appointment of the chairmen and members of committees of the Institute.
- 11.2 Twenty-one calendar days' notice of an annual general meeting, specifying the date, time and place of the meeting and the business to be transacted shall be sent to every member at their registered physical or e-mail address, together with copies of the reports of the Chairman and the Chief Executive, the audited financial statements of the Institute and the auditor's report. Inadvertent failure to send such notice and other documents to every member shall not invalidate the proceedings at any such meeting, which will be deemed to have been properly constituted notwithstanding such omission.
- 11.3 The quorum at the annual general meeting shall be twenty members in good standing, physically present. If the meeting is inquorate 30 (thirty) minutes after the appointed time of the meeting, the meeting shall stand adjourned to the same day of the following week in the same place or in the nearest available and suitable venue or, if such day be a public holiday, to the next business day thereafter. At an adjourned annual general meeting, the members in good standing personally present shall constitute a quorum and have the full power to transact the business that would have been transacted had the meeting been held on the date for which it was previously called.
- 11.4 Every member who is established prior to the commencement of the meeting as being a member in good standing shall be entitled to attend in person or by proxy and vote at the annual general meeting of the Institute. Each such member shall have one vote. All voting at an

annual general meeting shall be by poll of those voting members present in person or by proxy. Proxies in the form laid down by the Board shall be lodged not less than 6 (six) days before the time of the meeting at the main office of the Institute.

- 11.5 Every motion proposed and seconded under paragraphs 11.1.1 to 11.1.5 inclusive at an annual general meeting of the Institute shall be decided by a poll. A poll shall be taken in such manner as the chairman of the meeting directs.
- 11.6 Scrutineers, who may not include the members proposing or seconding the resolution, shall be appointed by the chairman of the meeting to determine the result of the poll. The chairman shall announce the result determined by the scrutineers, which shall be deemed to be a resolution of the meeting and an entry to that effect in the minutes of the proceedings shall be deemed to be conclusive evidence of the result.

## **12. Special General Meetings**

- 12.1 The Board may, at any time, and shall, on receipt of a written request in the form of a resolution (which shall be voted on at that meeting without amendment) stating the objectives of the proposed special general meeting and signed by not less than 5% of the members, all of whom must be members in good standing, call a special general meeting of the Institute.
- 12.2 The notice calling the special general meeting shall be sent to every member within thirty days of receipt of the request and such meeting shall be held no later than sixty days following receipt of the request at such place, date and time as the Institute may determine.
- 12.3 The provisions of paragraphs 11.2 to 11.6 shall apply *mutatis mutandis* to special general meetings, except as otherwise specified in the Constitution.
- 12.4 In the event that fewer than twenty members in good standing are personally present at the commencement of a duly constituted special general meeting called at the request of members, the meeting shall not be adjourned in terms of paragraph 11.3, but shall be dissolved.

## **13. By-laws, Rules, Codes of Conduct, Regulations and other provisions**

- 13.1 The By-laws, Rules, Codes of Conduct, Regulations and other provisions of the Institute shall be those published by the Institute from time to time.
- 13.2 The Board may from time to time issue amending and new By-laws, Rules, Codes of Conduct, Regulations and other provisions, provided that they have been exposed for a period of not less than 30 (thirty) days by means of written notice to members of all categories at their registered physical or

e-mail address, to enable them to comment thereon before they are finalised, approved and brought into force.

- 13.3 All By-laws, Rules, Codes of Conduct, Regulations and other provisions of the Institute issued under authority of the Constitution shall, when posted on the Institute website, be deemed to have been published and to have been duly made available to members of all categories.

#### **14. Indemnities**

- 14.1 Every member of the Board or of any committee of the Institute, every individual performing any function on behalf of the Institute and every officer and employee of the Institute shall be indemnified by the Institute against all claims arising from, or losses and expenses incurred in, the execution of their duties and functions, except claims, losses or expenses arising from their own fraud or wilful default.
- 14.2 No person in any category of membership of the Institute shall have any claim against the Institute or against a member of the Board or of any committee of the Institute or against any individual performing any function on behalf of the Institute or any officer or employee of the Institute in respect of anything done *bona fide* by the Institute or them or any of them in the execution of their duties and functions.

#### **15. Limitation of liability**

- 15.1 No person in any category of membership of the Institute shall have any liability for any commitments of the Institute. All persons shall be deemed to have contracted or dealt with the Institute on this basis.
- 15.2 The liability of a member shall be limited to the amount of any outstanding annual or other subscriptions, dues, fees, contributions, levies, penalties and fines and all and any other charges or debts due to the Institute by that member.

#### **16. Amendment of the Constitution**

- 16.1 The Constitution may from time to time be amended by a resolution supported by no less than three-fourths of those members in good standing of the Institute present in person or by proxy at a special general meeting of which due notice has been given with full particulars of the proposed amendment.
- 16.2 All such amendments shall be submitted to the Commissioner of the South African Revenue Service (SARS) within thirty (30) days of the date of passing of the related resolution.

## 17. Amalgamation

The Institute may amalgamate or incorporate or join with other bodies, whether or not incorporated by statute, provided that they have objectives similar to those of the Institute, on the basis of a resolution supported by no less than three-fourths of those members who are present in person at a special general meeting duly convened and constituted for this purpose. And for this purpose, the Institute may take over and assume part or all of the assets and liabilities of such bodies or make over part or all of the assets and liabilities of the Institute.

## 18. Winding-up

18.1 The Institute may be wound up in terms of the provisions of the By-laws by a resolution supported by no less than three-fourths of those members who are present in person or by proxy at a general meeting duly convened and constituted for this purpose.

18.2 Members, associates and affiliates shall not have any claim in respect of any surplus there may be on winding up of the Institute.

18.3 Upon its being wound up, or liquidated or within six months from the withdrawal of its exemption (or such longer period as the commissioner may allow), any property, funds and other assets of the Institute remaining after payment of the debts and expenses of the Institute and the costs of winding up shall be distributed to:

18.3.1 Another entity with similar objects and which is approved in terms of section 10(1)(d)(iii) or (iv) of the Income Tax Act, 1962;

18.3.2 A public benefit organisation approved in terms of section 30B of the Income Tax Act;

18.3.3 Any institution, board or body approved in terms of section 10(1)(cA)(i) of the Income Tax Act; or

18.3.4 Any department of state or administration in the national or provincial or local sphere of government of the Republic, contemplated in section 10(1)(a) or (b) of the Income Tax Act, which is required to use those assets solely for the purposes of carrying on one or more public benefit activities.

## 19. Reporting Requirements

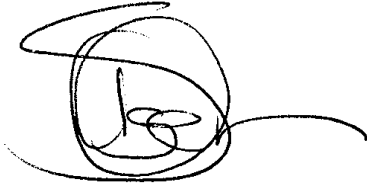
- 19.1 The Institute shall comply with such reporting requirements as may be determined by the Commissioner of SARS from time to time, provided that such reporting requirements are reasonable and in line with the South African tax laws as administered by SARS.
- 19.2 The Institute shall not knowingly become party to, or knowingly permit itself to be used as part of, an impermissible tax avoidance arrangement contemplated in part II A of chapter III or a transaction, operation or scheme contemplated in section 103(5) of the Income Tax Act.

## 20. Transitional Provisions

In order to ensure that the provisions of paragraph 5 of this Constitution are fully implemented in a progressive and orderly manner; that continuity of the Board membership is maintained; and, in particular, that no more than one-third of the membership of the Board is required to demit office in any one financial year pending full implementation of paragraph 5 aforesaid, members of the Board shall have full powers during the Institute's next three financial years (2013/2014 and 2014/2015 and 2015/2016) to make provisions to extend and otherwise vary their respective terms of office; to call upon each Regional Association to nominate candidates for consideration for appointment by the NOMCOM; to call upon ABASA to nominate candidates for appointment in consultation with the NOMCOM; and to recommend candidates for re-appointment in consultation with the NOMCOM and to take all other necessary action to ensure full implementation of the provisions of paragraph 5 aforesaid.



Signed at Rosebank on this 21<sup>st</sup> day of August 2014 by:



**Shirley Olsen**

**Chairman of the South African Institute of Professional Accountants (SAIPA)**

(Who warrants being duly authorised sign on behalf of SAIPA)

Signed at Rosebank on this 21<sup>st</sup> day of August 2014 by:



**Shahied Daniels**

**Chief Executive of the South African Institute of Professional Accountants (SAIPA)**

(Who warrants being duly authorised sign on behalf of SAIPA)