

**The Accounts Audit and
Examination Law
Profession
English Version**

Republic of Yemen

Ministry of Legal and Parliament Affairs

LAW NO. (26) OF THE YEAR 1999 CONCERNING THE PROFESSION OF ACCOUNTS AUDITING AND EXAMINATION

In the name of the people

The president of the republic

By review of the constitution of the republic of Yemen

After consent of the parliament

We promulgate the below law:

PART ONE

DENOMINATION AND DEFINITIONS

ARTICLE (1):

This law is denominated as the accounts audit and examination law profession

ARTICLE (2):

The following terms and expressions and for the purpose of this law shall have the meanings against each unless the context requires otherwise

Republic: The Republic of Yemen

Ministry: The Ministry of Supply and Trade

Profession: The accounts audit and examination profession practiced by a public accountant in accordance with the provisions of this law and the applicable laws

Permit: The document issued in accordance with the provisions of this law authorizing its holder to practice the profession

Profession principles: Profession rules, standards, ethics and behaviors

Public accountant: The natural person holder of a public accountant permit according to the provisions of this law

Committee: The committee permitting the public accountants formed according to the provisions of this law

License: A certificate of a public accountant obtained by a natural person in accordance with the provisions of this law

ARTICLE (3):

The profession of accounts audit and examination has the objective to give a neutral, technical and objective opinion about the extent of fairness of the financial statements in a manner to rely thereupon by its users and serves the process of economic and social development and provides transparency pursuant to the practical and scientific principles and the criteria approved by the competent authorities.

ARTICLE (4):

The public accountants are classified into two categories:

- 1- Practicing public accountants' category who are the full time public accountants holders of a practice permit in accordance with this law.
- 2- Non practicing public accountants who are holders of public accountant licenses.

Each of the two categories shall have a special register and the executive bylaw of this law shall define the rules of keeping those registers, the data and information related to each and the rules of entry and deletion in the register and the amount of fees.

PART TWO

RULES AND PROCEDURES OF PERMITTING THE PUBLIC ACCOUNTANT

ARTICLE (5):

For permitting a public accountant the applicant must satisfy the following conditions:

- 1- Should be a natural person and a Yemeni national.
- 2- Should be at least twenty six calendar years old.
- 3- Should have a university qualification majoring in accountancy of no less than bachelor degree.

- 4- Should have gained a practical experience subsequent to the qualification in the field of accounts audit and examination or teaching in one of the faculties, universities or higher institutes in the field of accountancy and audit in the following manner:
 - a- Four years after the bachelor degree qualification.
 - b- Two years after the master degree qualification.
 - c- One year after the PhD degree qualification.

- 5- Should have passed the defined examination with the exception of PhD qualification holders in the field of accountancy from this condition.

- 6- Should be enjoying the civil capacity and not previously convicted in a criminal dishonor or trust crime unless rehabilitated.

ARTICLE (6):

The accredited committee in the republic for the equalization of scientific certificates is considered the competent agency to equalize the indicated certificates by this part in accordance with the applicable laws and resolutions.

ARTICLE (7):

For the purpose of obtaining a public accountant permit the following should be followed:

- a- Apply to the competent department in the Ministry enclosing the qualifications and evidence documents defined by this law and its executive bylaw.
- b- The competent department drafts a receipt for the delivered documents bearing the date of reception and the signature of the competent employee and the receipt is delivered to the applicant.
- c- The competent department enters the application and enclosures data in the relevant register.
- d- Within thirty days from the date of the application receipt the application is submitted to the committee which studies and decides thereupon within thirty days from the date of submission.
- e- He whose application is refused may not reapply to the committee except after one year as from the refusal date.

ARTICLE (8):

- a- The applicant whose application was not decided on within the defined period in the precedent article or whose application was refused may complain to the Minister within seventy five days from the date of application submission attaching a receipt from the accounts department in the Ministry in an amount of twenty thousand Yemeni rials as a deposit paid to the coffers of the Ministry as a public revenue in case the complaint is invalid.
- b- Based on the submitted complaint the Minister invites the committee for a meeting under his chairmanship to study the complaint and decide thereupon and the decision of the committee is considered final and whoever it became evident that his complaint is invalid may not reapply except after the elapse of two years as from the issuance of the committee decision.

ARTICLE (9):

The permit is issued by a resolution of the Minister based on a recommendation from the committee and the bylaw sets forth the form and data of the permit and the amount of the fixed fees.

ARTICLE (10):

- a- The first time public accountant permitted to practice the profession delivers the legal oath before the Chairman and members of the committee in the following manner:
(I swear in the name of Almighty Allah that I shall perform the duties of my profession as a public accountant truly, honorably and trustfully always standing by the right and observing the provisions of law, order and the principles of the profession and observe its ethics and rules and that I shall maintain the secrets of my clients and any data that may be entrusted to me by reason of my job and within the limits of law and Allah is the witness of what I say).
- b- Minutes is drafted of the oath delivery and maintained in the file of the public accountant.
- c- The name and entry number of the first time permitted public accountant is published in the official gazette.

PART THREE
RULES AND PROCEDURES OF PROFESSION PRACTICE PERMITTING FOR THE ACCOUNTS
AUDIT AND EXAMINATION OFFICES

ARTICLE (11):

Those having effective permits from among those practicing the profession may constitute professional firms (offices) provided that each partner practices his activity within the relevant category.

ARTICLE (12):

The accounts audit and examination firms are granted profession practice permits when the following conditions are met:

- 1- Should be a joint-liability company.
- 2- All partners should be holders of profession practice permits in accordance with this law.
- 3- The head office of the firm should be in the republic of Yemen.
- 4- The public accountant should not be a partner in more than one firm.
- 5- The public accountant should not practice the profession beyond the scope of the firm independently or with others.

ARTICLE (13):

The non Yemeni branches of accounts audit and examination firms or the non Yemeni natural persons may be granted profession practice permit in the republic of Yemen after the following conditions are being satisfied:

- 1- Participation of one or more Yemeni public accountant so that the share of the Yemeni partner/ partners should not be less than 25% of the capital.
- 2- The name of the firm should at least include the name of one of the Yemeni partners.
- 3- The partnership contract should be written in the Arabic language and authenticated by the competent official authorities in the presence of the partners.

- 4- All the partners should be natural persons entered in the register of the practicing public accountants and if a non Yemeni legal person exists among the partners he must be a holder of a profession practice permit in his home country and the manager or one of the directors should be a Yemeni partner.
- 5- Submission of a certified copy of the profession practice permit at the head office home country together with the firm memorandum and articles of association.
- 6- The Yemeni technical staff in the firm must be no less than two thirds of the total number of the technical staff.

The permitted working team ratio of assistants to public accounts should not be in excess of 4:1 (four to one).

ARTICLE (14):

The accounts audit and examination firms are permitted and entered to the allocated register in the trade name and the bylaw states the data and information that must be included in the application as well as the documents and papers that must be enclosed.

ARTICLE (15):

The accounts audit firm may not be permitted to practice the profession except after registration of the firm in the commercial register and a copy of the commercial register should be enclosed when applying for the entry in the companies register of the audit firms.

ARTICLE (16):

- a- Each public accountant permitted to practice the profession must apply within thirty days of the expiry date of the permit for renewal of the granted permit in accordance with the procedures set forth by the bylaw.
- b- The accounts audit firm must annually apply for renewal of the granted permit within thirty days of the expiry date of the permit in accordance with the rules and procedures set forth by the bylaw.

- c- During the month of January of each year the Ministry prepares lists with the names of the public accountants whose permits were renewed and the list is published in one of the daily official newspapers and for three consecutive days.

ARTICLE (17):

The accounts audit and examination firms should inform the competent department about each branch opened other than the head office within thirty days of the branch opening date.

ARTICLE (18):

The competent department in the general headquarters of the Ministry keeps the following registers:

- 1- List of the public accountants
- 2- Register of the public accountants
- 3- Register of the audit and examination firms (offices)
- 4- Register of applications entry

The bylaw sets forth the form, division and contents of the registers

PART FOUR

THE PUBLIC ACCOUNTS PERMITTING COMMITTEE:

ARTICLE (19):

The committee is formed in the following manner:

- | | |
|---|------------|
| 1- The competent deputy minister | Chairman |
| 2- The president of the public accountants association | Member |
| 3- The head of accountancy in one of the Yemeni universities selected by the higher council of the universities | Member |
| 4- Representative of the central organization for control and audit (COCA) | Member |
| 5- Representative of the Tax Authority whose grade is no less than general director | Member |
| 6- A public accountant permitted to practice the profession selected by the public accountants' association | Member |
| 7- General Director of the competent department in the Ministry | Rapporteur |

ARTICLE (20):

With the exception of the competent deputy minister each member of the committee must be a public accountant or a holder of a bachelor degree majoring in accountancy and a resolution of the Minister is issued forming the committee.

ARTICLE (21):

The committee practices the following tasks and powers:

1. Study the applications submitted for getting public accountant permits and decide thereon according to the provisions of this law.
2. Study and approve the forms that shall be used in all businesses related to the committee.
3. Conduct the fixed examinations determined in accordance with the provision of paragraph (5) of article (5).
4. Study the cases referred thereto by the Minister related to profession related issues.

ARTICLE (22):

The committee holds one meeting each month at least and it may hold exceptional meetings by an invitation of its president or by request of three of its members when necessary.

ARTICLE (23):

Subject to the stipulations of article (20):

- a- Any member of the committee is dismissed if he absents from the meetings of the committee without acceptable excuse for three consecutive meetings or six intermittent meetings during one year.
- b- A resolution from the Minister based on a recommendation of the committee is issued by the dismissal.
- c- The agency which the member who lost his membership in the committee represents is informed in order to nominate another replacement person within a period not to exceed thirty days.

ARTICLE (24):

The meeting of the committee may not be valid save by the attendance of the majority of its members and it takes its decisions and recommendations by the majority of the votes of the attendees and when votes are equal the side of the president is preponderant and in all cases for the validity of the decisions of the committee they should have the consent of at least three attending members.

ARTICLE (25):

The duration of membership in the committee is three years being renewable for once, except for the chairman of the committee appointed by virtue of his position.

ARTICLE (26):

The bylaw defines the order of the business progress of the committee and the principles and criteria guiding it when practicing its tasks within the limits defined by this law, the applicable laws and the profession fundamentals.

ARTICLE (27):

- a- The ministry issues permits for profession practice to the public accountants in accordance with this law.
- b- The competent department in the Ministry practices the following tasks:
 1. Opening and keeping the registers.
 2. Issue and renew permits and annual advertisement of the names of the permitted public accountants who renewed their permits.
 3. Maintain the files of the public accountants and document the decisions, minutes and penalties and everything to this effect.
 4. Address and correspond with the public accountants.
 5. Announce the decisions and recommendations of the committee related to deciding on the submitted applications to have public accountant permits and the announcement is made through a posting board allocated for this purpose within the competent department.
 6. Preparation of a monthly statement of the permitted public accountants to practice the profession displayed on the posting board.
 7. Submit the necessary monthly reports to the Minister about the performance of the committee.

8. Field supervision and monitoring of the public accountants offices to assure the integrity and accuracy of the implementation of the provisions of this law and the executive bylaw sets forth all the rules and procedures to this regard.

PART FIVE

CONDITIONS FOR PRACTICE AND ENTRY PERMIT:

ARTICLE (28):

Application for entry in the registers of the practicing public accountants to have the permit to the Ministry on the special form prepared for that purpose enclosed with the support documents of the application in accordance with the executive bylaw of this law and the entry registration to the registers of the public accountants should include the following:

1. The name, nationality, residence address of the entry applicant and the date of the application deposit.
2. A statement of the scientific qualifications and the date of award and certified copies of these qualifications.
3. Authenticated certificate of the practical experience together with observing article (5) of this law with regard to the duration of the practical experience.
4. Provide an evidence of full time dedication to the profession.

ARTICLE (29):

When the entry application is accepted the competent department registers the following data in the register prepared for this purpose:

1. The serial number of the public accountant and the entry date.
2. Name, surname, age and place of residence of the public accountant.
3. The qualifications he holds and the award date.
4. Previous practical experience and duration.
5. Address of the main head office from which the profession is practiced.

ARTICLE (30):

The permit applicant is granted the permit approved by the Ministry including the name, number and date of entry to the public accountants practicing the profession and the category in which he is classified with his personal photo posted on the permit and in case of switching from one category to another in accordance with the executive bylaw of this law the registers are amended to that effect.

ARTICLE (31):

Whoever his entry application is refused by the Ministry may not reapply except after the elapse of one year as from the date of refusal and in case his reapplication is refused he may complain to the Minister within two months maximum from the date of application refusal and the decision of the Minister to this regard is final and the bylaw determines the rules and procedures of complaint.

ARTICLE (32):

Whoever his name is entered to the register of the profession practicing public accountants must inform the Ministry within two months of the date of obtaining the permit of the address of his premises and the absence of notification within the above date entails the validity of his address already submitted with the Ministry.

ARTICLE (33):

The public accountants entered in the different types of registers of the public accountants should inform the Ministry of each amendment or modification effecting the entry application or the enclosed documents within one month from the date of the amendment or modification and the notification shall be pursuant to an application submitted to the Ministry in accordance with the conditions defined by the bylaw.

ARTICLE (34):

The permit of the practicing public accountant is renewed annually and the permit is renewed in accordance with the procedures defined by the executive bylaw.

ARTICLE (35):

The public accountant who was unable to get the permit may not open an office in his own name or start any job of accounts audit and examination.

ARTICLE (36):

The practicing public accountant to whom an incident happens preventing him from practicing the profession should notify the Ministry thereof within thirty days of the surface of the event and apply for switching his name to the register of non practicing public

accountants and when the impediment is recedes he may apply for re-entry of his name to the register of the practicing public accountants.

ARTICLE (37):

When the practicing of the profession is temporarily or definitely stopped, for any cause, the public accountant and the accounts audit and examination firms must notify the Ministry within the thirty consecutive days of the stoppage and the permit is considered expired in case of definite stoppage without prejudice of the penalties provided by this law.

The Ministry shall have the right to issue a decision cancelling the permit of each public accountant who stopped practicing the profession and did not provide the ministry with a notification within the defined delay after ascertaining the event causing that stoppage and hearing the sayings of the public accountant and if the public accountant was notified and never attended within the thirty days following the notification the permit is abrogated without hearing his sayings and the abrogation decision may be complained against and the permit abrogation does not entail the cancellation of the membership of the association.

ARTICLE (38):

In case the permitted public accountant to practice the profession, either an individual or partner in a professional firm, is stopped from practicing the profession for any cause definitely or for a temporary period causing damages to the clients or third parties all assignments outstanding with him as well as the entailed rights and liabilities are to be cleared and he has to follow the below procedures:

1. Inform the Ministry of the causes and duration of stoppage within the thirty days following the date of stoppage together with providing a copy thereof to the association.
2. Inform the association of the operations he audits or those which shall be impacted by the stoppage duration and the procedures used to preserve the rights of his clients and the method by which his assistants shall be dealt with within the following thirty days of the date of his stoppage and he has to coordinate with the association on how to treat the impacts resulting from the stoppage.

3. Upon the definite stoppage of one of the partners the remaining partners in the firm should amend the memorandum of the firm and notify the association of the procedures taken on assigning the works overseen by the stopping partner to the other partners.

ARTICLE (39):

When the public account who practices his work individually is stopped whether this stoppage is definite or for a period causing damages to the interests of the clients or third parties without taking the procedures provided by the precedent article he has to assign a permitted public accountant to practice the profession to complete his obligations on the account of the original public accountant together with preserving the legal rights to third parties.

PART SIX

RIGHTS AND DUTIES OF THE PUBLIC ACCOUNTANT:

ARTICLE (40):

The public accountant practices his profession in the following fields:

1. Audit and examination of accounts and financial statements and give opinion thereon in accordance with the professional principles
2. Provide expertise and advice in the financial administrative and tax fields
3. Carry out the liquidation processes according to the provisions of the effective laws.
4. Carry out any other tasks which the effective laws provide that the public accountant should perform.

ARTICLE (41):

The rights of the public accountant are mainly represented in the following:

1. The right to review the books, registers, vouchers and other documents and has also the right to request any data or clarifications he may deem necessary to obtain or see as necessary and adequate to perform his tasks completely and appropriately.
2. The right to get all evidences and inferences supporting the opinion he formed pursuant to the professional principles and standards and no one may ban or

conceal any documents, data or information he may see necessary for the performance of his job.

3. The right to give opinion on the financial statements in the manner he deems appropriate in accordance with the audit criteria.
4. The right of stocktaking of the coffers and warehouses of the agency subject to examination at the time he deems suitable and he has the right to verify the assets and liabilities of the entity.
5. The right to have the information he deems necessary related to the activity of the entity under examination and he also has the right to visit its factories, warehouses, offices, work sites and projects and enquire the relevant people about the aspects he needs to duly perform his profession.
6. The right to attend meetings of the general assembly and give opinion on everything related to his work and he also has the right to invite the general assembly for a meeting in accordance with the applicable laws.

ARTICLE (42):

Without prejudice to the applicable laws and resolutions, no corporation or company, which the law requires to have a public accountant including individuals, may dismiss the public accountant during the performance of his job unless it becomes clear that he violated the provisions of law and the applicable laws and resolutions.

ARTICLE (43):

When proceeding in the accounts audit and examination work, the public accountant must abide by the principles of the profession and exert sufficient care in performing his tasks and give opinion on the financial statements as a unique unit and to clearly indicate the extent of adequacy and sufficiency of disclosure thereof.

ARTICLE (44):

The public accountant should observe abidance by the applicable laws and ascertain their continuous application by his clients.

ARTICLE (44):

The public accountant must continuously work to develop and upgrade his skills in a manner coping with the modern developments and follow up researches and studies having relation to his profession and take care of the vocational continuous training of his employees.

ARTICLE (46):

The public accountant must upgrade and develop the professional services and the methods of profession practice and seek to develop the accounting and audit profession.

ARTICLE (47):

The public accountant must appropriately plan the implementation and division of work to his assistants and directly oversee them and must sign the reports he issues by himself and the names and signatures of his assistants must be posted on the work papers and the bylaw states all procedures related to this field.

ARTICLE (48):

The public accountant must keep accounting registers and vouchers of his office works which give a clear and complete picture about his activity and the result of his works. He also must organize the office from which he practices his work in a manner to assure preserving the work papers' data and support vouchers of his accounting audit and monitoring and maintaining the same for ten years from the date of issuance of the report together with keeping a copy of the reports and financial statements. The above indicated documents must be maintained even if he stops the practice of the profession for any reason and the bylaw sets forth the aspects related to this regard.

ARTICLED (49):

When preparing the audit reports, the public accountant must point out to the utilization of the agreed upon accounting rules and the consistency of their application and utilization.

ARTICLE (50):

The public accountant must report in writing to the relevant agencies of the uncovered embezzlements of the properties of the entity he audits its accounts as well as the falsification, deceit and fraud he uncovered in the accounts, registers, vouchers and

documents in general and must inform the relevant agencies in writing of all illegal acts he discovered during the performance of his tasks and disclose the same in his report.

ARTICLE (51):

The public accountant must disclose whether the books, registers and accounts he audits and examines are regular in accordance with the accounting principles and systems and should draw attention in writing to any violation he discovers and requests its remedy and correction otherwise he should underline that in his report.

ARTICLE (52):

To guarantee the independence and neutrality of the practicing public accountant he is banned from the following:

1. Work in government, public and mixed and private sectors positions either with wages or without with the exception of the Yemeni university professors without prejudice to the contents of article (74) of this law.
2. Practice of the commercial, industrial works or any other profession.
3. Utilization of the advertisement means to promote himself in a manner disgracing the profession.
4. Compete with his colleagues in the profession or speculating to get the work assignment in a way impairing the profession.
5. Accept work assignment as a public accountant in any agency in which he is a partner or member in the board of directors or performing any administrative commercial or financial work therein or be an akin of anyone of the members of the board of directors or the general manager up to the fourth degree and every such assignment shall be void.
6. To transact with the entity which he audits accounts either by purchase, sale, barter or rental or otherwise and this prohibition is inapplicable to the transactions conducted in accordance with general rules applicable to all.

7. To audit the account of a unit with which he was an employee unless three years at least elapsed from leaving such employment.

ARTICLE (53):

The powers of the public accountant must not be limited or restricted in a manner causing preventing him from the performance of his tasks in the manner consistent with the provisions of the applicable laws and resolutions and the profession principles.

ARTICLE (54):

Without prejudice to the competencies of the Central Organization for Control and Audit the public accountant may not audit the accounts of the public and mixed corporations, banks, insurance companies and the joint stock companies unless he had already practiced for three years after obtaining the profession practice permit.

ARTICLE (55):

Without prejudice to the provisions of article (50) of this law, the public accountant may not disclose information and secrets he became aware of by reason of his work except in the cases where applicable law dictates otherwise.

ARTICLE (56):

The public accountant may not give an opinion to the contrary of the contents of the accounting books, registers and data and may not sign reports of accounts not being audited by him or his employees and he may not also sign on the trueness of final data or balance sheets not clearly reflecting the contents of the registers and accounts of the entities he was assigned to audit their accounts.

ARTICLE (57):

The public accountant is responsible to the entity which he audits its accounts for the damage it sustains due to the errors he commits in the performance of his work or when practicing his profession and the public accountant is responsible for the damage afflicted to the owners or third parties because of those errors and in all cases if multiple public accountants are involved in those errors they shall be jointly liable before the owners or third parties.

ARTICLE (58):

The public accountant is responsible for any negligence or serious professional error afflicting damage to a third party who used the enclosed financial statements of the public accountant on which reliance was made to take financial decisions in the field of investment or credit provided that the third party has good faith.

ARTICLE (59):

The public accountant is responsible for the damage afflicted to the entity, owner or third party caused by errors or negligence of his assistants who work under his supervision.

ARTICLE (60):

The public accountant is completely responsible for the application and implementation of all contents of applicable laws regarding rights, obligations, responsibilities, tasks and works of the public accountant and all measures decided by those laws are taken against him including dismissal, compensation or litigation.

In all cases the damaged may revert to the judiciary.

ARTICLE (61):

The public accountant must inform the competent and relevant agencies in writing if the following became evident to him during the practice of his profession:

1. Presence of hazards to the health and safety of citizens
2. Presence of risks to the national wealth whether animal, fisheries, agricultural, mineral or otherwise.
3. The presence of hazards to the environment.

PART SEVEN

THE HIGHER COUNCIL OF ACCOUNTING AND AUDITING AND THE PUBLIC ACCOUNTANTS ASSOCIATION

ARTICLE (62):

By virtue of this law a higher council is established denominated as the higher council of accounting and audit with a legal independent personality competent in the development of the accounting and audit profession through adopting the accounting rules, audit standards and the ethics of professional conduct.

ARTICLE (63):

The president of the republic issues a resolution of the regulation of the council stating its affiliation, objectives, components, powers, formation, the funding of its resources and everything related thereto.

ARTICLE (64):

Based on submittal of the Central Organization for Control and Audit (COCA) the higher council is formed from representatives of the competent agencies in the profession of accounting and audit and those concerned therewith.

ARTICLE (65):

The Yemeni public accountants' association is considered a professional association with a legal personality and an independent financial liability concerned with the organization of the affairs of its members and contributes to the advancement and development of the accounting and audit profession.

ARTICLE (66):

The membership of the public accountants' association is considered an obligation and no public accountant may practice the profession unless being member of the association.

PART EIGHT

PENALTIES

ARTICLE (67):

- a- Without prejudice to the institution of criminal or civil legal proceedings if appropriate one of the following disciplinary penalties is applied to each public accountant who neglects observation of the professional principles:
- Written alarming.
 - Written warning.
 - Temporary suspension of the permit for no more than three years.
- b- The disciplining of the public accountant shall be with cognizance of a disciplinary council which the bylaw sets forth the method of formation, the order of work progress and the rules and procedures of complaint against its decisions.

- c- In the formation of the disciplinary council, it should be observed that it should be formed from competent agencies and two thirds of its members at least should be public accountants.

ARTICLE (68):

By a resolution of the Minister based on a submittal of the competent department, the permit granted to a public accountant may be cancelled and his name deleted from the table of the public accountants in the following instances:

1. If one condition or more of those provided by article (5) of this law is missed.
2. If he suspends the practice of the profession for a period of no less than three consecutive years without informing the Ministry of the activity suspension.
3. If he violates the provisions stipulated by article (13) of this law.
4. If he practices the profession after being permitted and was not affiliated to the public accountants' association within three months of the date of the permit issue.
5. If he obtained a permit based on forged data

In all cases the damaged may revert to the judiciary.

ARTICLE (69):

Upon a submittal of the competent department the Minister issues a resolution cancelling the permit granted to the public accountant and the permit granted to the firm is cancelled in the following instances:

1. If he violates any of the conditions provided by articles (12 & 13) of this law.
2. If partners or the firm violate any of the provisions stipulated by article (13) of this law.

ARTICLE (70):

A fine of YR 1000 (one thousand) is applied to each public accountant who does not renew his permit for the delay in the first month and YR 2000 (two thousand) for the delay in the second month and YR 3000 (three thousand) for the delay in the third month and YR 5000 (five thousand) for each excess month.

ARTICLE (71):

Without prejudice to more severe penalties provided by other applicable laws the public accountant who commits one of the following acts is punished by imprisonment of no more than six months:

1. Writing false data in any report, account or document in the course of practicing the profession.
2. Preparing a report conversely to the reality or approves contrary facts in a document that must be issued legally or under the profession practice rules.
3. Approving the distribution of fictitious or untrue profits.
4. Denying to inform the competent agency of embezzlement, fraud, deceit or dishonesty crimes stipulated by article (50).
5. Disclosing the secrets of the company
6. Approving by his signature reports about accounts he or his employees did not audit.

ARTICLE (72):

A punishment of imprisonment of no more than one year and no less than six months or a financial fine of no less than YR 100,000 (one hundred thousand) and no more than YR 300,000 (three hundred thousand) is applied to:

1. Whoever practices the profession without having a permit in accordance with the provisions of this law.
2. Whoever returns to practice the profession without having a legal permit.
3. The foreigner who practices the profession without practice permit in accordance with the provisions of this law.
4. Violates the provisions of article (52) of this law.

ARTICLE (73):

Subject to the provisions of article (68), a financial fine of YR 100.000 (one hundred thousand) is applied to:

1. Each non Yemeni public accountant who practices the profession for his own account.
2. Each public accountant who used a legal or trade name for his office or firm.
3. Each public accountant who employed a foreigner as a public accountant without being a holder of the profession practice permit.

4. Each partner in a joint-liability company who is not actually practicing the profession with the Company.
5. Each partner in a joint-liability company who practiced the profession outside the scope of the firm whether independently, with third party or associated with third party.
6. Each partner who appointed an executive manager unpermitted to practice the profession.
7. Each public accountant and partner who appointed a branch manager unpermitted to practice the profession.

Part nine
General provisions

ARTICLE (74):

Upon a recommendation from the competent agency the Minister may cancel the permit of any practicing individual or firm public accountant who could not re-arrange his situation in accordance with the provisions of this law within two years as from its issue.

ARTICLE (75):

Subject to the provisions of article (74), the permitted public accountants according to the laws and regulations effective before the application of this law are considered permitted in accordance with this law.

ARTICLE (76):

The Tax Authority is obligated to deny acceptance of final accounts from those taxpayers obligated to submit them unless issued by a permitted public accountant.

ARTICLE (77):

The following agencies are expert houses in the practice of the profession of accounts audit:

1. The accounting and audit offices registered with the Ministry
2. The universities and higher institutes in the field of teaching accountancy and audit.
3. The Central Organization for Control and Audit (COCA) in the field of examination and audit

ARTICLE (78):

Upon submittal of the Minister and approval of the Council of Ministers the executive bylaw of this law is issued by a republican resolution.

ARTICLE (79):

The resolution by law no. (31) of the year 1992 concerning the public accountants association is cancelled.

ARTICLE (80):

This law is effective as from the date of issue and shall be published in the official gazette.

Issued at the presidency of the republic - Sana'a