DRAFTING NOTE

ACCOUNTANCY AND AUDIT PROFESSION ACT 2026

1. Status and purpose of this note

This drafting note is explanatory and is not part of the proposed Assembly Act. It identifies the legislative need, the relationship with earlier Eritrean law, the principal matters retained, the modernization choices made and the place of the draft within the emerging constitutional statute book. The instrument remains a consultation draft and should be finalized only after legal, institutional, fiscal and public review.

2. Legislative need and prior law

The supplied legislation identifies Legal Notice 15/1993 as the earlier framework for private auditors and accountants. That framework is too narrow for a modern economy in which audit quality, public-interest entities, digital records and professional discipline must be governed coherently.

3. What the draft retains

The draft retains professional qualification, registration, ethical responsibility, audit competence and disciplinary accountability as the core functions of the earlier regime.

4. What the draft updates and modernizes

It introduces an independent professional system, transparent admission and discipline, modern assurance and accounting standards, quality review, public-interest audit duties, electronic practice and coordination with the Auditor General, Commercial Code and financial-sector legislation.

5. Constitutional, code and treaty fit

The draft is framed under the Constitution of Eritrea 1997 and must be read with the Civil Code, Penal Code, Civil Procedure Code and Criminal Procedure Code of Eritrea 2015 where those Codes govern. It is also coordinated with the other institutional, financial, commercial, land, labour, administrative and sectoral drafts in this collection. References to international or regional standards guide compatibility and implementation; they do not bypass the Treaty-Making Act or convert an unincorporated instrument into domestic law.

6. Scope and organization

The principal divisions address preliminary provisions; relationship with codes and public institutions; professional accountancy body; public-interest audit oversight; education and professional qualification; registration and licensing; professional and ethical duties;

standards and audit quality; inspection and enforcement; technology, firms and market development; public practice, transition and final provisions.

7. Transition, implementation and consultation

The draft preserves lawful accrued rights, completed transactions, pending proceedings and institutional continuity where appropriate, while preventing temporary savings from preserving unconstitutional coercion or indefinite executive discretion. Before enactment or issuance, authentic predecessor instruments and amendments should be verified, cross-references and fiscal capacity confirmed, implementing regulations and digital systems prepared, and affected institutions, professions, communities and the public given a practical opportunity to comment.

CONSULTATION DRAFT — NOT ENACTED LAW

ACT NO. ___ OF 2026

ACCOUNTANCY AND AUDIT PROFESSION ACT 2026

(ACT)

AN ACT TO REGULATE THE ACCOUNTANCY AND EXTERNAL-AUDIT PROFESSION; TO ESTABLISH A PROFESSIONAL ACCOUNTANCY BODY AND AN INDEPENDENT PUBLIC-INTEREST OVERSIGHT BOARD; TO PROVIDE FOR EDUCATION, QUALIFICATION, REGISTRATION, LICENSING, ETHICS, AUDIT QUALITY, INSPECTION, INVESTIGATION AND DISCIPLINE; TO GOVERN ACCOUNTANCY AND AUDIT FIRMS, PUBLIC-INTEREST-ENTITY AUDITS, TECHNOLOGY AND INTERNATIONAL RECOGNITION; AND TO PROVIDE FOR RELATED MATTERS.

PREAMBLE

WHEREAS reliable accounting and independent audit support investment, taxation, public finance, financial stability, corporate accountability and public confidence;
WHEREAS the Commercial Code governs the financial-reporting and audit obligations of enterprises, while this Act should regulate the competence and conduct of the professionals who perform those functions without duplicating the Code;
WHEREAS the Auditor General exercises a distinct constitutional mandate under Article 55 of the Constitution and shall not be regulated or constrained by a private-profession body;
WHEREAS Eritrea requires a credible national profession aligned with high international standards, adapted transparently to Eritrean law and protected from government, client and commercial capture;
NOW, THEREFORE, be it enacted by the National Assembly of Eritrea, acting under Article 32 of the Constitution, as follows:

CHAPTER I
PRELIMINARY PROVISIONS

Article 1 — Short title

1. This Act may be cited as the "Accountancy and Audit Profession Act 2026".
2. It applies throughout Eritrea.

Article 2 — Purposes

1. to protect the public through competent and ethical accountancy;
2. to secure independent high-quality external audit;
3. to provide credible qualification, licensing and discipline;
4. to establish independent public-interest oversight; and

5. to support modern business, public administration and international confidence.

Article 3 — Interpretation

1. "accountant" means a person registered in a professional category under this Act;
2. "audit" means an independent engagement expressing assurance on financial or other information;
3. "audit firm" means a registered entity authorized to conduct statutory audit;
4. "Council" means the governing council of the Professional Accountancy Body;
5. "public-interest entity" means an entity designated under Article 46; and
6. "Oversight Board" means the Public Interest Audit Oversight Board.

Article 4 — Public-interest principles

1. A professional accountant shall act with integrity, objectivity, competence, confidentiality and professional behavior.
2. An auditor shall remain independent in fact and appearance and exercise professional skepticism.
3. Regulation shall be transparent, proportionate and free of political or commercial favoritism.
4. Public protection prevails over the profession's private interest.

Article 5 — Reserved functions and titles

1. Only a person registered in the relevant category may use a prescribed professional title or sign a statutory audit report.
2. Bookkeeping, internal accounting and general business assistance shall not be reserved unnecessarily.
3. A person may describe truthful qualifications not confusingly similar to a reserved title.
4. Reserved functions shall be prescribed by Assembly Act or regulations authorized by this Act.

Article 6 — Non-discrimination and access

1. Qualification and professional opportunity shall be administered without unconstitutional discrimination.
2. Reasonable accommodation and accessible assessment shall be provided.
3. Overseas study, diaspora residence or prior public employment is not disqualification.
4. Fees and requirements shall not create unreasonable exclusion.

CHAPTER II
RELATIONSHIP WITH CODES AND PUBLIC INSTITUTIONS

Article 7 — Commercial Code

1. The Commercial Code governs enterprise books, financial statements, statutory audit requirement, auditor appointment and removal, corporate reporting and related private rights.
2. This Act governs the qualification, licensing, standards and discipline of accountants and auditors.
3. Where a statutory audit is required by the Code, it shall be performed by a person licensed under this Act.
4. This Act shall not restate or alter company-law duties by implication.

Article 8 — Civil Code and contractual liability

1. The Civil Code governs contracts, professional liability and civil remedies except for necessary regulatory rules in this Act.
2. Registration does not limit liability established by the Code.
3. A professional standard may inform the required standard of care but does not determine civil liability conclusively.
4. Client and third-party rights remain subject to applicable law.

Article 9 — Penal and procedural Codes

1. Fraud, falsification, corruption, obstruction and other crimes are governed by the Penal Code and investigated and tried under applicable procedural Codes.
2. This Act creates professional discipline, not a duplicate criminal code.
3. A referral does not establish guilt.
4. Professional proceedings shall protect criminal-process fairness.

Article 10 — Auditor General

1. The constitutional authority, appointment, standards and work of the Auditor General are governed by the Constitution and Auditor General Act.
2. The Oversight Board shall not inspect, license, direct or discipline the Auditor General in constitutional audit work.
3. Individual professionally registered staff remain subject to ethical duties consistent with public audit.
4. Professional cooperation may occur without compromising constitutional independence.

Article 11 — Public Finance Management Act

1. Public-sector accounting, internal audit and financial reporting are governed by the Public Finance Management Act.
2. Professional qualifications under this Act may be required for specified public posts.

3. The professional body shall not prescribe public accounting policy in place of the Chief Accountant.
4. Recognized standards shall be coordinated transparently.

Article 12 — Financial-sector regulators

1. The National Bank and another sector regulator retain statutory power over financial institutions and regulated reporting.
2. They may require licensed auditors and enhanced competence.
3. Professional and sector regulators shall coordinate inspections and information under safeguards.
4. Neither shall conceal public-interest audit failure.

CHAPTER III
PROFESSIONAL ACCOUNTANCY BODY

Article 13 — Establishment

1. The Eritrean Professional Accountancy Body is established as an independent public professional body.
2. It has legal personality, administrative autonomy and perpetual succession.
3. It shall not be an executive department or commercial association.
4. Its headquarters shall be in Asmara with electronic and regional access.

Article 14 — Functions

1. The Body shall administer education, examinations, registration, continuing development, ethical guidance and member services.
2. It shall maintain registers and support accountancy capacity.
3. It may investigate and discipline matters outside the Oversight Board's exclusive jurisdiction.
4. It shall promote the public interest and not merely member advantage.

Article 15 — Membership

1. Every person using a reserved professional title shall be a member in the appropriate category.
2. Voluntary categories may be established for students, technicians and retired members.
3. Membership shall not compel political or ideological expression.
4. Fees shall be transparent, proportionate and subject to hardship rules.

Article 16 — General Assembly

1. The General Assembly of members elects professional Council members and considers accounts and policy.
2. Voting and participation shall be secure and accessible.

3. It shall not interfere in individual examination, registration or discipline cases.
4. Resolutions inconsistent with this Act have no effect.

Article 17 — Council composition

1. The Council shall include elected professional accountants and public members with user, academic, business and governance experience.
2. Professional members shall form a majority but not control public-interest audit oversight.
3. Composition shall promote competence, gender and regional inclusion.
4. Serving senior political, military, police or intelligence officers are ineligible.

Article 18 — Council elections and terms

1. Elections shall be fair, secret, transparent and independently supervised.
2. Members serve defined staggered terms and no more than two consecutive terms.
3. Campaign finance and conflicts shall be disclosed.
4. A vacancy shall be filled under published procedure.

Article 19 — Public members

1. Public members shall be selected through open nomination and merit assessment.
2. They shall be independent of audit firms and regulated entities.
3. Their experience shall include investor, creditor, consumer or public-finance perspectives.
4. Reasons for appointment shall be published.

Article 20 — Chief Executive and staff

1. The Council shall appoint a Chief Executive through open competition.
2. Staff shall be competent, impartial and protected from improper influence.
3. Education, registration, investigation and adjudicative support shall be separated appropriately.
4. Employment shall follow fair written terms.

Article 21 — Finance and audit

1. The Body may receive fees, education income and lawful grants without compromising independence.
2. Accounts shall be prepared under recognized standards and audited independently.
3. The auditor shall be selected transparently and rotated appropriately.
4. Annual accounts, donors and remuneration shall be published.

CHAPTER IV
PUBLIC-INTEREST AUDIT OVERSIGHT

Article 22 — Establishment of Oversight Board

1. An independent Public Interest Audit Oversight Board is established.
2. It has legal personality, operational autonomy and authority over statutory auditors of public-interest entities and other designated audits.
3. It is independent of the professional Body, audit firms, clients and executive direction.
4. Its decisions are subject to judicial review.

Article 23 — Functions of Oversight Board

1. The Board shall register public-interest auditors, adopt applicable standards, inspect audit firms, investigate misconduct, impose professional sanctions and publish findings.
2. It shall monitor market concentration and audit quality.
3. It may delegate routine administration but not final enforcement responsibility.
4. It shall cooperate with financial and international regulators.

Article 24 — Composition

1. The Board consists primarily of persons independent of current audit practice.
2. Members shall possess audit, accounting, law, finance, governance, technology and investor expertise.
3. A recent audit-firm partner shall observe a cooling-off period.
4. No serving political, military, police or intelligence officer is eligible.

Article 25 — Selection and appointment

1. Members shall be selected through public nomination by an independent merit panel.
2. The President shall appoint from the shortlist with approval of the National Assembly.
3. Criteria, shortlist and reasons shall be published.
4. The Assembly shall not substitute an unassessed person.

Article 26 — Term and removal

1. A member serves one non-renewable term of five years with staggered appointments.
2. Removal is permitted only for incapacity, serious misconduct, corruption, persistent neglect or disqualification.
3. Independent inquiry, hearing and reasons are required.
4. Disagreement with an inspection or enforcement decision is not a ground.

Article 27 — Funding and accountability

1. The Board shall submit its budget to the National Assembly and may receive proportionate levies on regulated audit firms.

2. Funding shall not depend on a particular inspection outcome.
3. Accounts are audited independently and published.
4. The Assembly may examine administration but not direct an individual matter.

Article 28 — Coordination with Professional Body

1. A memorandum shall allocate registration, education, inspection, investigation and information functions clearly.
2. The Oversight Board has final authority within its statutory public-interest jurisdiction.
3. Duplication shall be minimized and protected information shared lawfully.
4. A dispute shall be resolved by law or court, not by withholding action.

CHAPTER V
EDUCATION AND PROFESSIONAL QUALIFICATION

Article 29 — Qualification framework

1. The Body shall establish progressive qualifications for accounting technician, professional accountant and auditor categories.
2. Competence shall cover accounting, assurance, ethics, tax, law, finance, governance, technology and communication as appropriate.
3. Learning outcomes shall be published and periodically reviewed.
4. Qualification shall combine knowledge and practical judgment.

Article 30 — Accredited education

1. Universities and providers may seek accreditation under transparent standards.
2. Accreditation shall examine curriculum, instructors, assessment, integrity and outcomes.
3. A refusal or withdrawal requires reasons and review.
4. Accreditation shall not create an unnecessary monopoly.

Article 31 — Professional examinations

1. Examinations shall be secure, reliable, fair and accessible.
2. Governance shall protect question integrity and consistent marking.
3. Candidates may seek administrative review and correction.
4. Commercial examination providers shall remain accountable to the Body.

Article 32 — Practical experience

1. Professional registration requires supervised relevant experience of prescribed quality and duration.
2. Experience may be obtained in practice, business, government or nonprofit work.
3. Supervisors shall certify honestly and not exploit trainees.
4. Equivalent prior experience may be recognized.

Article 33 — Audit qualification

1. A statutory auditor shall complete advanced audit education, supervised audit experience and competence assessment.
2. Public-interest audit requires additional authorization and recent relevant experience.
3. A tax or accounting qualification alone does not authorize statutory audit.
4. Requirements shall be proportionate to engagement complexity.

Article 34 — Ethics education

1. Ethics, independence, professional skepticism, public interest and reporting of wrongdoing shall be integrated throughout education.
2. Candidates shall analyze practical conflicts and pressure.
3. Political loyalty shall never form part of assessment.
4. Continuing ethics education is mandatory.

Article 35 — Recognition of foreign qualifications

1. A reputable foreign qualification may be recognized wholly or with proportionate bridging in Eritrean law, tax and practice.
2. Reciprocity may be considered but shall not defeat public interest or diaspora reintegration.
3. Decisions shall be timely, reasoned and reviewable.
4. International agreements shall comply with the Treaty-Making Act.

Article 36 — Continuing professional development

1. Registered persons shall maintain competence through relevant continuing development.
2. Requirements shall account for role, career break, disability and emerging technology.
3. Evidence may include structured learning, research, teaching and verified practice.
4. Repeated noncompliance may affect licence after fair process.

CHAPTER VI
REGISTRATION AND LICENSING

Article 37 — Professional registers

1. The Body shall maintain secure public registers of accountants, auditors, firms, status and public discipline.
2. Entries shall have stable electronic verification.
3. Private residential and protected information shall not be disclosed.
4. Corrections and historical status shall be preserved.

Article 38 — Application for registration

1. An applicant shall provide qualification, experience, identity, character and conflict information reasonably necessary.
2. The process shall be accessible electronically and in person.
3. Adverse material shall be disclosed for response.
4. Security or political opinion alone is not evidence of unfitness.

Article 39 — Fit and proper assessment

1. Fitness concerns honesty, competence, financial integrity and conduct relevant to professional trust.
2. Rehabilitation, context, age and proportionality shall be considered.
3. Anonymous allegation may trigger verification but cannot alone support refusal.
4. A refusal shall state reasons and review rights.

Article 40 — Certificate and licence

1. A qualified accountant receives a registration certificate, and a statutory auditor requires a current audit licence.
2. Renewal may require continuing development, insurance, quality compliance and fees.
3. Administrative delay shall not suspend a timely complete applicant.
4. Conditions shall address demonstrated risk and be reviewable.

Article 41 — Audit-firm registration

1. A firm conducting statutory audit shall register ownership, governance, responsible partners, quality system, network, insurance and offices.
2. Voting control and management shall preserve auditor independence and professional responsibility.
3. Beneficial owners and material network arrangements shall be disclosed.
4. Foreign and multidisciplinary structures require equivalent safeguards.

Article 42 — Practising entities and names

1. A firm may operate as a partnership, company or other authorized entity under the Commercial Code.
2. Entity form does not shield an individual from professional misconduct.
3. A name shall be accurate and not imply government endorsement.
4. Successor and network descriptions shall not mislead.

Article 43 — Suspension and administrative lapse

1. A licence may be suspended for failure to maintain objective renewal conditions after notice.
2. Administrative lapse shall be distinguished from discipline.

3. Urgent public protection may justify interim restriction under Article 68.
4. Clients and audit continuity shall be protected.

CHAPTER VII
PROFESSIONAL AND ETHICAL DUTIES

Article 44 — Code of ethics

1. The Oversight Board and Body shall adopt a coherent code based on high international ethical standards adapted to Eritrean law.
2. The code shall address integrity, objectivity, competence, confidentiality and professional behavior.
3. International text shall not acquire legal force without lawful adoption and publication.
4. More protective statutory duties prevail.

Article 45 — Confidentiality

1. A professional accountant shall protect client and employer information.
2. Disclosure is permitted by informed authority or specific law and may be required to prevent grave wrongdoing as prescribed.
3. Safeguards survive the relationship.
4. Regulators and inspectors shall protect information equivalently.

Article 46 — Public-interest entities

1. Public-interest entities include listed entities, banks, insurers, pension funds and another entity designated by transparent risk criteria.
2. Designation shall consider public investment, systemic importance, size and vulnerability.
3. The entity shall receive notice and review.
4. The current list shall be published.

Article 47 — Auditor independence

1. An auditor shall identify, evaluate and eliminate or reduce threats to acceptable level through lawful safeguards.
2. Financial, business, employment, family, advocacy, familiarity and intimidation threats shall be addressed.
3. Where safeguards are inadequate, the engagement shall be declined or ended.
4. Independence documentation is auditable.

Article 48 — Financial interests and relationships

1. An audit firm, engagement partner and covered persons shall not hold prohibited financial interests in the client.
2. Loans, guarantees, business relationships and close family positions shall follow published rules.

3. Automated and periodic conflict checks shall be maintained.
4. Disposal or recusal shall occur promptly.

Article 49 — Non-audit services

1. An auditor shall not provide a service that audits the firm's own work, assumes management, advocates materially for the client or creates unacceptable threat.
2. Prohibited services for public-interest entities shall be prescribed clearly.
3. Permitted services require audit-committee approval and disclosure where material.
4. Fees shall not create economic dependence.

Article 50 — Partner rotation and cooling off

1. Lead and key partners on a public-interest audit shall rotate after a prescribed period with an adequate cooling-off period.
2. Rotation shall preserve knowledge transfer without becoming formal only.
3. A partner joining an audit client shall observe applicable cooling off.
4. Rules shall consider small-market capacity without sacrificing independence.

Article 51 — Professional skepticism and evidence

1. An auditor shall plan and perform with questioning mind and obtain sufficient appropriate evidence.
2. Management representation does not replace verification.
3. Contradictory evidence and fraud risk shall be investigated.
4. Documentation shall permit an experienced reviewer to understand work and conclusions.

Article 52 — Reporting wrongdoing

1. A professional accountant shall respond to suspected illegality under the ethical code and law.
2. The response may include inquiry, governance communication, withdrawal and report to competent authority where authorized or required.
3. Client confidentiality and public protection shall be balanced through clear rules.
4. Retaliation for a good-faith lawful report is prohibited.

Article 53 — Fees and remuneration

1. Fees shall be fair, transparent and not contingent on an audit opinion.
2. Low fees shall not justify inadequate work.
3. Referral commissions and financial interests shall be disclosed and restricted.
4. Overdue fees may create an independence threat.

Article 54 — Custody and records

1. Working papers and professional records shall be secure, authentic and retained for prescribed periods.
2. A firm shall protect client access to necessary records without surrendering proprietary working papers contrary to law.
3. Alteration or destruction to obstruct review is prohibited.
4. Electronic records shall preserve audit trail.

CHAPTER VIII
STANDARDS AND AUDIT QUALITY

Article 55 — Financial-reporting standards

1. Financial-reporting standards applicable to entities shall be adopted under the Commercial Code, sector law or Public Finance Management Act as appropriate.
2. The Body may advise but shall not impose enterprise duties outside authority.
3. Adopted standards shall be published and accessible.
4. Transitional relief may be proportionate to entity size and public interest.

Article 56 — Auditing standards

1. The Oversight Board shall adopt auditing, assurance and quality-management standards based on recognized international standards and adapted openly to Eritrean law.
2. Adoption shall identify modifications and effective dates.
3. Standards shall be freely accessible to the extent legally possible.
4. Statute and court orders prevail over a professional standard.

Article 57 — Quality-management system

1. Every audit firm shall design, implement and evaluate a quality-management system proportionate to engagements.
2. It shall address governance, ethics, acceptance, people, performance, consultation, monitoring and remediation.
3. Leadership is accountable for quality.
4. Network policy does not excuse local responsibility.

Article 58 — Engagement acceptance and continuance

1. A firm shall assess competence, resources, independence, client integrity and reporting framework before acceptance and annually.
2. Withdrawal from a statutory audit shall comply with the Commercial Code and protect shareholders and regulators.
3. Reasons for resignation or dismissal shall be communicated as law requires.
4. Opinion shopping shall be addressed.

Article 59 — Engagement quality review

1. Specified high-risk and public-interest audits require an independent engagement quality review before report release.
2. The reviewer shall possess authority, competence and objectivity.
3. Review shall challenge significant judgments and conclusions.
4. It does not transfer engagement-partner responsibility.

Article 60 — Audit report

1. An audit report shall identify the entity, statements, framework, standards, responsibilities, opinion, basis and material required disclosures.
2. Modified opinions and going-concern uncertainty shall be clear.
3. Key audit matters may be required for public-interest entities.
4. Electronic signature shall be securely attributable.

Article 61 — Group and component audits

1. A group auditor is responsible for directing, supervising and evaluating component work sufficient for the group opinion.
2. Foreign or network component work shall be accessible for inspection as lawfully necessary.
3. Restrictions shall be reported.
4. Group structure shall not diffuse responsibility.

Article 62 — Fraud and going concern

1. The auditor shall assess material fraud risk and management’s going-concern assessment under standards.
2. The auditor does not guarantee absence of fraud or business survival.
3. Suspected senior-management fraud requires enhanced governance and legal response.
4. Reporting shall be timely and evidence-based.

CHAPTER IX
INSPECTION AND ENFORCEMENT

Article 63 — Inspection programme

1. The Oversight Board shall inspect public-interest audit firms on a regular risk-based cycle.
2. Other audit firms may be inspected by the Board or Body under coordinated standards.
3. Inspection shall examine systems and selected engagements.
4. Selection and findings shall be independent of firms and clients.

Article 64 — Inspection powers

1. Authorized inspectors may require records, explanations, system access and relevant network information.
2. Privilege and confidentiality shall be protected while permitting effective oversight.
3. Obstruction shall be documented and addressed under law.
4. Inspectors shall disclose conflicts.

Article 65 — Inspection findings

1. A firm shall receive draft findings and opportunity to respond.
2. The final report shall distinguish deficiency, recommendation and potential misconduct.
3. Remediation shall have deadlines and verification.
4. Public summaries shall identify systemic and serious matters while protecting proportionate confidentiality.

Article 66 — Investigation

1. The competent regulator may investigate a complaint, inspection referral or credible information.
2. Investigation shall be separated from final adjudication.
3. The subject shall receive notice unless temporary secrecy is necessary to preserve evidence.
4. Criminal evidence shall be referred without deciding guilt.

Article 67 — Complaints

1. Any person may submit a complaint without fee through accessible channels.
2. The regulator shall acknowledge, screen and communicate outcome.
3. A dispute solely about fees or civil loss may be referred appropriately.
4. Good-faith complainants and witnesses are protected.

Article 68 — Interim measures

1. Where strong evidence shows serious current risk, the Oversight Board or disciplinary body may restrict acceptance of new audits, require supervision or suspend a licence temporarily.
2. The measure requires prompt hearing and periodic review.
3. It is not a final finding.
4. Client reporting continuity shall be protected.

Article 69 — Disciplinary tribunal

1. An independent Accountancy Disciplinary Tribunal shall hear serious cases.
2. Panels shall include legal, professional and public members with no investigative conflict.
3. Notice, disclosure, counsel, evidence, hearing and reasons are required.

4. Hearings are presumptively public subject to necessary protection.

Article 70 — Standard of proof and sanctions

1. Professional misconduct shall be proved by clear and convincing evidence.
2. Sanctions include advice, reprimand, education, restitution recommendation, fine authorized by Act, conditions, suspension and removal from register.
3. Sanction shall be proportionate to intent, harm, dishonesty, pattern, cooperation and remediation.
4. Civil and criminal remedies remain separate.

Article 71 — Appeal

1. A directly affected person may appeal a final disciplinary or licensing decision to a competent court.
2. The court may affirm, vary, set aside or remit.
3. Interim relief may protect public and professional interests.
4. The regulator shall preserve and provide the record.

Article 72 — Cross-border enforcement

1. The Oversight Board may cooperate with foreign regulators under lawful agreements.
2. Information sharing shall protect confidentiality, privilege, reciprocity and use limitation.
3. Foreign discipline may be recognized after fairness and relevance review.
4. No foreign body may exercise coercive power in Eritrea without law.

CHAPTER X
TECHNOLOGY, FIRMS AND MARKET DEVELOPMENT

Article 73 — Technology and cybersecurity

1. Professionals and firms shall apply reasonable cybersecurity, access, backup, vendor and incident controls.
2. Material breaches affecting client or audit information shall be reported as law requires.
3. Cloud and foreign processing shall preserve lawful access and confidentiality.
4. Technology outsourcing does not transfer professional responsibility.

Article 74 — Artificial intelligence and automated tools

1. Artificial intelligence may assist accounting and audit but a professional remains responsible for judgments and reports.
2. Material outputs shall be verified and use documented.
3. Systems shall be assessed for accuracy, bias, explainability, security and data rights.
4. A regulator shall have sufficient access to inspect material automated work.

Article 75 — Data analytics and audit evidence

1. Data analytics may increase coverage and risk identification but shall not replace evaluation of reliability, completeness and context.
2. Exceptions and model limits shall be investigated.
3. Client-system access shall be authorized and proportionate.
4. Evidence lineage shall be preserved.

Article 76 — Small and medium practices

1. Standards and inspection shall be scalable without reducing necessary quality.
2. The Body may provide shared training, tools and technical support open on fair terms.
3. Regulation shall avoid unnecessary barriers to new firms.
4. Public-interest audits require demonstrated capacity.

Article 77 — Audit-market concentration

1. The Oversight Board shall monitor concentration, switching barriers, capacity and systemic firm risk.
2. It may recommend joint audits, managed transition, contingency plans or other lawful measures.
3. It shall not allocate clients to favored firms.
4. Market data shall be published.

Article 78 — Firm failure and continuity

1. A significant audit firm shall maintain orderly continuity and client-transfer plans.
2. Regulators may coordinate to preserve records and reporting without rescuing owners improperly.
3. Client choice and confidential information shall be protected.
4. Failure shall be reported to relevant financial authorities.

Article 79 — Advertising and professional claims

1. Advertising shall be truthful, verifiable and not promise a predetermined audit opinion.
2. A firm shall not claim government endorsement or misleading superiority.
3. Publication of services and fees is permitted.
4. Rules shall respect commercial expression and consumer information.

CHAPTER XI
PUBLIC PRACTICE, TRANSITION AND FINAL PROVISIONS

Article 80 — Public-sector accountants

1. Accountants in public entities remain governed by public-finance and civil-service law and may also hold professional membership.

2. Professional ethics apply consistently with duties to the Constitution and public.
3. The Body shall cooperate in capacity-building without controlling public appointments.
4. Public-sector information remains subject to lawful confidentiality and transparency.

Article 81 — Internal auditors

1. Internal audit is distinct from statutory external audit and governed in public entities by the Public Finance Management Act.
2. Professional internal-audit qualifications may be recognized.
3. An external auditor shall assess but not assume internal-audit responsibility.
4. Outsourcing shall preserve management responsibility and independence.

Article 82 — Tax practitioners and forensic accountants

1. Tax and forensic practice may require specialist standards or registration under tax, evidence and professional law.
2. This Act does not confer investigation, search or prosecutorial power.
3. Expert evidence remains governed by procedural Codes.
4. A professional shall state limitations and conflicts.

Article 83 — Transitional registration

1. Existing practitioners shall apply for appropriate recognition within eighteen months.
2. Education, experience and reputable foreign credentials shall receive fair individualized assessment.
3. Bridging and supervised practice shall be preferred to arbitrary exclusion.
4. Temporary status may protect clients while assessment proceeds.

Article 84 — First institutions

1. The Professional Body and Oversight Board shall be constituted within nine months.
2. Independent establishment panels shall secure records, systems and transparent appointments.
3. No existing association gains automatic regulatory monopoly.
4. Initial policies shall receive public consultation.

Article 85 — Initial audit-firm review

1. Firms conducting statutory audits shall disclose ownership, clients, quality systems, disciplinary history and independence within twelve months.
2. Public-interest audit firms shall receive priority inspection.
3. Serious risk may justify proportionate interim conditions.
4. Transition shall not validate defective prior audits.

Article 86 — Regulations and professional standards

1. The President may issue limited establishment regulations after consultation with the Body and Oversight Board.
2. The Body and Board may make rules and standards within their statutory functions.
3. No subordinate instrument may create a crime, enterprise reporting duty or civil immunity beyond an Assembly Act.
4. All instruments shall be published before effect.

Article 87 — Review of prior instruments

1. The Minister, Advocate General, Body and Oversight Board shall review prior accountancy, audit and licensing instruments within twelve months.
2. Verified repeal and savings shall be proposed.
3. Commercial Code and Auditor General provisions shall not be repealed by implication.
4. Authentic enacted text shall not be silently altered.

Article 88 — Repeal and savings

1. Prior professional-accountancy instruments are repealed only when identified by verified number, year and title in the statute-law revision schedule.
2. Lawful qualifications, contracts, reports, client rights and proceedings continue subject to transition.
3. Political licensing, client-controlled discipline and unpublished restrictions are not preserved.
4. Existing professional rules expire within eighteen months unless lawfully remade.

Article 89 — Independent review

1. After four years, an independent review shall assess quality, access, standards, market structure, institutional independence and international recognition.
2. The review shall consult users, investors, firms, government and education providers.
3. The report and institutional responses shall be published and submitted to the National Assembly.
4. Protected client information shall not be exposed.

Article 90 — Commencement

1. This Act enters into force ninety days after publication in the Gazette.
2. Articles 4, 7 to 12, 44 to 54, 73 and 74 apply immediately to persons already performing covered work.
3. Reserved-title and licensing enforcement begins after the transitional registration period.

Made at Asmara, this ___ day of __________ 2026.

THE NATIONAL ASSEMBLY OF ERITREA