



**Republic of the Philippines**  
**Professional Regulation Commission**  
**Manila**

**BOARD OF ACCOUNTANCY**

**Resolution No. 126**  
**Series of 2008**

**ADOPTION OF THE RULES AND REGULATIONS ON ADVERTISING  
FOR THE PHILIPPINE ACCOUNTANCY PROFESSION**

WHEREAS, the Philippine Accountancy Act of 2004, Article II Section 9(f) empowers the Board of Accountancy “to prescribe and/or adopt a Code of Ethics for the practice of accountancy” and Section 9(g) provides that the Board of Accountancy shall “monitor the conditions of accountancy and adopt such measures, including promulgation of accounting and auditing standards, rules and regulations and best practices as may be deemed proper for the enhancement and maintenance of high professional, ethical, accounting and auditing standards xxx”

WHEREAS, all Professional Accountants must adhere to the Revised Code of Ethics for Professional Accountants in the Philippines which governs their relations to the public in general, their co-professionals, their clients and the State of the practice of the Accountancy profession in the Philippines;

WHEREAS, any advertising by professional accountants beyond their name, address, telephone number and membership in professional organizations has been traditionally considered unethical in the Accountancy Profession;

WHEREAS, the reasons for not allowing advertisement include: (a) advertising can lead to undue competition between and among practitioners, and thus may cause a decline in the quality of service; (b) advertising would encourage a more commercial approach within the profession thus reducing clients’ trust in CPAs and also increasing the likelihood of CPAs neglecting their ethical duties; (c) the cost of advertising would outweigh any savings which might result from competition, and it would be borne ultimately by clients; and (d) small or new practitioners would be unlikely to have the financial resources to match the advertising of larger or more established practices.

WHEREAS, the rationale behind the prohibition of certain kinds of advertising or advertisements is to lend dignity to the profession which, unlike ordinary services and merchandise, should not be peddled in the market place through touting and self-laudatory means;

WHEREAS, due to the expansion of the services provided by the professional accountants and the inclusion of a provision in the Revised Code of Ethics for Professional Accountants of the International Federation of Accountants (IFAC) which the Board of Accountancy and the Professional Regulation Commission have adopted, allowing advertising to the extent that this provides the public with necessary information about the sole practitioners or professional partnerships and the services they offer to their clients;

WHEREAS, Section 250 on Marketing Professional Services of the Revised Code of Ethics for Professional Accountants in the Philippines provides that

- “1. When a professional accountant in public practice solicits new work through advertising or other forms of marketing, there may be potential threats to

compliance with the fundamental principles. For example, a self-interest threat to compliance with the principle of professional behavior is created if services, achievements or products are marketed in a way that is consistent with that principle.

2. A professional accountant in public practice should not bring the profession into disrepute when marketing professional services. The professional accountant in public practice should be honest and truthful and should not:
  - Make exaggerated claims for services offered, qualifications possessed or experience gained; or
  - Make disparaging references to unsubstantiated comparisons to the work of another.

If the professional accountant in public practice is in doubt whether a proposed form of advertising or marketing is appropriate, the professional accountant in public practice should consult with the relevant professional body.”

WHEREAS, with this new development, the Board of Accountancy deems it necessary to adopt rules and regulations covering advertising so as to protect the public interest. Such rules shall define the parameters within which advertising and promotion may be considered ethical and hence, permissible.

WHEREAS, an official implementation of the provisions of the Revised Code of Ethics for Professional Accountants governing the practice of the accountancy profession specifically the provision on advertising would assist in the enhancement of high professional and ethical standards and avoid confusion which might diminish the integrity and dignity of the accountancy profession.

**NOW, THEREFORE be it RESOLVED**, as it is hereby **RESOLVED**, to adopt the following rules and regulations on advertising and promotion for the practice of accountancy in the Philippines:

1. Generally, advertising and publicity in any medium are acceptable provided:
  - a. It has as its objective the notification to the public or such sectors of the public as are concerned, of matters of fact (e.g., name, address, contact numbers, services offered) in a manner that is not false, misleading or deceptive;
  - b. It is in good taste;
  - c. It is professionally dignified; and
  - d. It avoids frequent repetition of, and any undue prominence being given to the name of the firm or professional accountant in public practice.

The following however shall not be allowed:

- a. Self-laudatory statements
- b. Discrediting, disparaging, or attacking other firms or CPA practitioners
- c. Referring to, using or citing actual or purported testimonials by third parties

- d. Publishing and comparing fees with other CPAs or CPA firms or comparing those services with those provided by another firm or CPA practitioner
  - e. Giving too much emphasis on competitive differences
  - f. Using words or phrases which are hard to define and even more difficult to substantiate objectively
  - g. Publishing services in billboard (e.g., tarpaulin, streamers, etc.) advertisements
2. The use of the name of an international accounting firm affiliation/correspondence other than a notation that it is a “member/correspondent firm of that foreign firm” shall not be allowed so as to imply that the foreign firm is practicing in the Philippines.
3. No firm or CPA practitioner shall identify the name of a client or items of a client’s business in advertising, public relations or marketing material produced to promote his practice provided that the client gives its written consent.
4. No firm or CPA practitioner shall use the term “Accredited” or any similar words or phrases calculated to convey the same meaning if the claimed accreditation (BOA, SEC, BSP or IC) has expired.
5. All advertisements must have prior review and approval in writing by the Risk Management Partner and Managing Partner or their equivalents.
6. The following examples are illustrative of circumstances in which publicity is acceptable and the matters to be considered in connection therewith subject always to the overriding requirements mentioned in the preceding rules.

***a. Awards***

It is in the interests of the public and the accountancy profession that any appointment or other activity of a professional accountant in a matter of national or local importance, or the award of any distinction to a professional accountant, should receive publicity and that membership of the professional body should be mentioned. However, the professional accountant should not make use of any of the aforementioned appointments or activities for personal professional advantage.

***b. Professional Accountants Seeking Employment or Professional Business***

A professional accountant may inform interested parties through any medium that a partnership or salaried employment of an accountancy nature is being sought. The professional accountant should not, however, publicize for subcontract work in a manner which could be interpreted as seeking to procure professional business. Publicity seeking subcontract work may be acceptable if placed only in the professional press and provided that neither the accountant’s name, address or telephone number appears in the publicity. A professional accountant may write a letter or make a direct approach to another professional accountant when seeking employment or professional business.

**c. *Directories***

A professional accountant may be listed in a directory. Entries may include name, address, telephone number, professional description, services offered and any other information necessary to enable the user of the directory to make contact with the person or organization to which the entry relates.

**d. *Books, Articles, Interviews, Lectures, Radio and Television Appearances***

Professional accountants who author books or articles on professional subjects, may state their name and professional qualifications and give the name of their organization but shall not give any information as to the services that firm provides. Similar provisions are applicable to participation by a professional accountant in a lecture, interview or a radio or television program on a professional subject. What professional accountants write or say, however, should not be promotional of themselves or their firm but should be an objective professional view of the topic under consideration. Professional accountants are responsible for using their best endeavors to ensure that what ultimately goes before the public complies with these requirements.

**e. *Training Courses, Seminars, etc.***

A professional accountant may invite clients, staff or other professional accountants to attend training courses or seminars conducted for the assistance of staff. Other persons should not be invited to attend such training courses or seminars except in response to an unsolicited request. The requirement should in no way prevent professional accountants from providing training services to other professional bodies, associations or educational institutions which run courses for their members or the public. However, undue prominence should not be given to the name of a professional accountant in any booklets or documents issued in connection therewith.

**f. *Booklets and Documents Containing Technical Information***

Booklets and other documents bearing the name of a professional accountant and giving technical information for the assistance of staff or clients may be issued to such persons, other professional accountants or other interested parties.

**g. *Staff Recruitment***

Genuine vacancies for staff may be communicated to the public through any medium in which comparable staff vacancies normally appear. The fact that a job specification necessarily gives some detail as to one or more of the services provided to clients by the professional accountant in public practice is acceptable but it should not contain any promotional element. There should not be any suggestion that the services offered are superior to those offered by other professional accountants in public practice as a consequence of size, associations, or for any other reason.

In publications such as those specifically directed to schools and other places of education to inform students and graduates of career opportunities in the profession, services offered to the public may be described in a business likeway.

More latitude may also be permissible in a section of a newspaper devoted to staff vacancies than would be allowed if the vacancy appeared in a prominent position elsewhere in a newspaper on the grounds that it would be most unlikely that a potential client would use such media to select a professional adviser.

***h. Publicity on Behalf of Clients***

A professional accountant in public practice may publicize on behalf of clients, primarily for staff. However, the professional accountant in public practice should ensure that the emphasis in the publicity is directed towards the objectives to be achieved for the client.

***i. Brochures and Firm Directories***

A professional accountant in public practice may issue to clients or, in response to an unsolicited request, to a non-client:

- a. A factual and objectively worded of the services provided; and
- b. A directory setting out names of partners, office addresses and names and address of associated firms and correspondents.

***j. Stationery and Nameplates***

Stationery of professional accountants in public practice should be of an acceptable professional standard and comply with the requirements of the law and of the member body concerned as to names of partners, principals and others who participate in the practice, use of professional descriptions and designatory letters, cities or countries where the practice is represented, logotypes, etc. The designation of any services provided by the practice as being specialist nature should not be permitted. Similar provisions, where applicable, should apply to nameplates.

***k. Announcements***

Appropriate newspapers or magazines may be used to inform the public of the establishment of a new practice, of changes in the composition of a partnership of professional accountants in public practice, or of any alteration in the address of a practice. Such announcements should be limited to a bare statement of facts and consideration given to the appropriateness of the area of distribution of the newspaper or magazine and number of insertions.

***l. Inclusion of the Name of the Professional Accountant in Public Practice in a Document Issued by a Client***

When a client proposes to publish a report by a professional accountant in public practice dealing with the client's existing business affairs or in connection with the establishment of a new business venture, the professional accountant in public practice should take steps to ensure that the context in which the report is published is not such as might result in the public being misled as to the nature and meaning of the report. In these circumstances, the professional accountant in public practice should advise the client that permission should first be obtained before publication of the document.

Similar consideration should be given to other documents proposed to be issued by a client containing the name of a professional accountant in public practice acting in an independent professional capacity. This does not preclude the inclusion of the name of a professional accountant in public practice in the annual report of a client.

When professional accountants in their private capacity are associated with, or hold in, an organization, the organization may use their name and professional status on stationery and other documents. The professional accountant in public practice should ensure that this information is not used in such a way as might lead the public to believe that there is a connection with organization in an independent professional capacity.

*m. Anniversaries*

A professional accountant's press and other media releases or announcements or newspaper supplements, or other similar publications, or other commemorative media, or the holding of media covered events undertaken only to commemorate their anniversaries in public practice by informing the public of their achievements or accomplishments in contributing towards nation building and in international understanding, goodwill, or relationship or enhancing the image or standards of the accounting profession do not violate the rules on advertising and solicitation provided that such announcements or undertakings contains only factual matters without detailed listing of services. Such undertaking should be done only every five years of celebration.

*n. Websites*

A professional accountant may develop and maintain a website in the Internet in such suitable length and style which may also include announcements, press releases, publications and such other necessary and factual information like firm's name, partners/principals' name and brief description of their educational attainment, brief listing of services, postal address, telephone, fax and e-mail addresses. Such website should adhere to the rules mentioned above.

7. These rules and regulations shall be effective fifteen (15) days after publication in the Official Gazette or in any newspaper of general circulation.

Done in the City of Manila this 7<sup>th</sup> day of July, 2008.

(Sgd.)

EUGENE T. MATEO  
Chairman

(Sgd.)

JOHN S. BALA  
Vice Chairman

(Sgd.)  
FROILAN G. AMPIL  
Member

(Sgd.)  
MA. ELENITA B. CABRERA  
Member

RUFO R. MENDOZA  
Member

LUCILA C. TARRIELA  
Member

Attested:

(Sgd.)  
CARLOS G. ALMELOR  
Secretary, Professional Regulatory Boards

Approved:

(Sgd.)  
LEONOR TRIPON – ROSERO  
Secretary

(Sgd.)  
RUTH RAÑA-PADILLA  
Commissioner

(Sgd.)  
NILO L. ROSAS  
Commissioner

Date of Publication in the Newspaper (Manila Standard Today) -  
July 24, 2008  
Date of Effectivity - August 9, 2008