

Republic of the Philippines
Congress of the Philippines
Seventeenth Congress
First Regular Session

Begun and held in Metro Manila, on _____

Republic Act No. _____

AN ACT AMENDING CERTAIN PROVISIONS OF REPUBLIC ACT NO. 9298, ENTITLED "AN ACT REGULATING THE PRACTICE OF ACCOUNTANCY IN THE PHILIPPINES, REPEALING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 692, OTHERWISE KNOWN AS THE REVISED ACCOUNTANCY LAW, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES," REVISING THE COMPOSITION OF THE BOARD OF ACCOUNTANCY TO CHAIRPERSON AND EIGHT MEMBERS, CREATING THE ACCOUNTANCY REGULATORY OFFICE AND ACCOUNTING COUNCILS, DEFINING THEIR POWERS AND FUNCTIONS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Section 1. Section 1 is hereby amended as follows:

Section 1. Short Title. - This act shall be known as the "*Revised Philippine Accountancy Act of 2016*"

Section 2. Section 3 is hereby amended as follows:

Section 3. Objectives. - This Act shall provide and govern:

- a) The standardization and regulation of accounting education;
- b) The examination of registration of certified accountants, certified professional accountants and certified public accountants; (hereinafter collectively called as censed accountants) and;
- c) The supervision, control, and regulation of the practice of accountancy in the Philippines.

Section 3. Section 4 is hereby amended as follows:

Section 4. Scope of Practice. - The practice of accountancy in the Philippines shall only be allowed for Certified Accountants, Certified Professional Accountants and Certified Public Accountants who have passed the applicable licensure examinations prescribed in Section 13 of this Act, unless otherwise specifically permitted or excluded in the paragraphs enumeration in this Section, the practice of accountancy shall include, but not limited to, the following:

- a) Practice of Public Accountancy - shall constitute a person, be it his/her individual capacity, or as a partner or staff member in an professional

partnership of certified public accountants, or as a stockholder, officer or employee of a corporation created for public practice of accountancy, holding out himself/herself as one skilled in the knowledge, science and practice of accounting, and as a qualified person to render professional services as a licensed accountant; or offering or rendering, or both or more than one client on a fee basis or otherwise, services as such as the audit or verification of financial transaction and accounting records; or the preparation, signing, or certification for clients of reports of audit, balance sheet, and other financial, accounting and related schedules, exhibits, statement of reports which are to be used for publication or for credit purposes, or to be filed with a court or government agency, or to be used for any other purposes; or to design, installation, and revision of accounting system; or the preparation of tax returns when related to accounting procedures; or when he/she represent clients before government agencies on tax and other matters relating to accounting or render professional assistance in matters relating to accounting procedures and the recording and presentation of financial facts or data; Provided that a person who has been licensed as a Certified Public Accountant shall be the only one who can sign the Auditor Certification or any other similar document that are covered by accounting and auditing standards issued by the Board.

(b) Practice in Commerce and Industry - shall constitute in a person involved in decision making requiring professional knowledge in the science of accounting, or when such employment or position requires that the holder thereof must be a certified professional accountant. Provided that the compilation services in the preparation of financial statements of organizations in the private sectors is considered as practice of accountancy in commerce and industry that can be done by a Certified Accountant, Certified Professional Accountant or a Certified Public Accountant.

(c) Practice in Education/Academe - shall constitute in a person in an educational institution which involve teaching of accounting, auditing, management advisory services, finance, business law, taxation and other technically related subject; Provided that Certified Professional Accountants and Certified Public Accountants shall be the only ones who can teach the aforementioned subjects indicated in this paragraph; Provided that persons, who have been certified by organizations which are accredited by the Board and which provide examinations, tests or its equivalence for recognition or certification of accountancy related competencies, shall also be allowed to teach the aforementioned subjects indicated in this paragraph; Provided, that members of the Integrated Bar of the Philippines shall be allowed to teach business law

and taxation subjects; Provided finally, that all those who shall teach shall also comply with the requirements of CHED.

(d) Practice in Government - shall constitute in a person who holds, or is appointed to, a position in an accounting professional group in government or in an government-owned and/or controlled corporation, including those performing proprietary functions, where decision making requires professional knowledge in the science of accounting, or where a civil service eligibility as a certified public accountant is a prerequisite

ARTICLE II PROFESSIONAL REGULATORY BOARD OF ACCOUNTANCY

Section 4. Section 5 is hereby amended as follows:

Section 5. The Professional Regulatory Board of Accountancy and its Composition. – The Professional Regulatory Board of Accountancy, (hereinafter referred to as “Board”) under the supervision and administrative control of the Professional Regulation Commission, hereinafter referred to as the Commission, shall be composed of a Chairperson and eight (8) members to be appointed by the President of the Philippines from a list of three (3) recommendees for each position to be submitted by the Commission The Board shall elect a vice-chairperson from among the members. The chairman shall preside in all meetings of the Board and in the event of a vacancy in the office of the chairperson, the vice-chairperson shall assume such duties and responsibilities until such time as a chairperson is appointed.

Section 5 Section 6 is hereby amended as follows:

Section 6. Qualifications of a member of the Professional Regulatory Board. - A member of the Board shall, at the time of his/her appointment, should possess the following qualifications:

- a) Must be a natural-born citizen and a resident of the Philippines;
- b) Must be a duly registered Certified Accountant, Certified Professional Accountant or Certified Public Accountant with at least ten (10) years of work experience in any scope of practice of accountancy;
- c) Must be of good moral character and must not have been convicted of crimes involving moral turpitude; and
- d) Must not have any pecuniary interest, directly or indirectly, in any school, college, university or institution conferring an academic degree necessary for admission to the practice of accountancy or where review classes in preparation for the licensure examination are being offered or conducted, nor shall he/she be a member of the

faculty or administration thereof at a time of his/her appointment to the Board, and/or must not be actively involved in public practice.

Section 6. Section 9 is hereby amended as follows:

Section 9. Powers and Functions of the Board. - The Board shall exercise the following specific powers, functions and responsibilities:

- a) To prescribe and adopt the rules and regulations necessary for carrying out the provisions of this Act;
- b) To supervise the giving of the licensure examinations and registration of Certified Accountants, Certified Professional Accountants and Certified Public Accountants in the Philippines;
- c) To administer oaths in connection with the administration of this Act;
- d) To issue, suspend, revoke, reinstate the Certificate of Registration for the practice of the accountancy profession;
- e) To adopt an official seal of the Board;
- f) To prescribe and/or adopt a Code of Ethics for the practice of accountancy;
- g) To monitor the conditions affecting the practice 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: That domestic accounting and auditing standards rules and regulations shall include the include the international accounting and auditing standards, and generally accepted best practices; That, the special requirements of Micro ,Small and Medium Business Enterprises shall be considered in the promulgation of the standards, rules and regulations., including but not limited, to prescribing the audit or attest thresholds conducted by the Certified Public Accountant
- h) To investigate violations of this act and the rules and regulations promulgated hereunder and for the purpose, to issue summons, subpoena and subpoena ad testificandum and subpoena duces tecum to violator or witness thereof and compel their documents in connection therewith: Provided, That the Board upon approval and

concurrence of the Commission may, subject to such rules and regulations that may be promulgated to implement this section, delegate the fact-finding aspect of such investigations to the accredited national professional organization of certified public accountant: Provided, further, That the Board and/or the Commission may adopt their findings of fact as may be seems fit; The Board may, muto proprio in its discretion, may conduct such investigations as it deems necessary to necessary to determine whether any person has violated any provisions of this law, any accounting or auditing standard or rules duly promulgated by the Board as part of the rules governing the practice of accountancy;

- i) To issue a cease or desist order to any person, associations, partnership or corporation engaged in violation of any provision of this Act, any accounting or auditing standards or rules of duly promulgated by the Board as part of the rules governing the practice of accountancy in the Philippines;
- j) To punish for contempt of the Board, both direct and indirect, in accordance with the pertinent provision of and penalties prescribed by the Rules of Court;
- k) To prepare, adopt, issue or amend the syllabi of the subjects for examinations in consultation with the academe, determine and prepare questions for the licensure examination which shall strictly be within the scope of the syllabi of the subjects for examinations as well as administer, correct and release the result of the licensure examinations;
- l) To ensure the coordination with the Commission of the Higher Education (CHED) or other authorized government offices that all higher educational instruction and offering of accountancy comply with the policies, standards and requirements of the course prescribed by the CHED or other authorized government offices in the areas of curriculum, faculty, library and facilities;
- m) To accredit organizations which provide examinations, tests or its equivalence for recognition or certification of accountancy related competencies
- n) To exercise such other powers as may be provided by law as well as those which may be implied from, or which are necessary or incidental to the carrying out of, the express powers granted to the Board to achieve the objectives and purposes of this Act. The policies

resolution, rules and regulations issued or promulgated by the Board shall be subject to the review and approval of the Commission. However, the Board's decisions, resolutions or orders rendered in the administrative cases shall be subject to review only if on appeal.

Section 7. Section 11 is hereby amended as follows:

Section 11. Grounds for Supervision or Removal of Members of the Board. – The President of the Philippines, upon the recommendation of the Commission, after the giving the concerned member an opportunity to defend himself in proper administrative investigation to be conducted by the Commission, may suspend or remove any member of the following grounds:

- a) Neglect of duty or incompetence;
- b) Violation or tolerance of any violation of this Act and its Implementing Rules and Regulations or the Code of Ethics and the technical and professional standards of practice for licensed accountant;
- c) Final judgment of crimes involving moral turpitude; and
- d) Manipulation or rigging of the licensed accountant's licensure examination results, disclosure of secret and confidential information concerning the examination questions prior to the conduct of the said examination or tampering of grades.

**ARTICLE III
EXAMINATION, REGISTRATION AND LICENSURE**

Section 8. Section 13 is hereby amended as follows:

Section 13. The Licensure Examinations. - All applicants for registration for the practice of accountancy shall be required to undergo the applicable licensure examination to be given by the Board in such places and dates as the Commission may designate. Provided, that the licensure examination shall be two (2) levels, namely the (1) first level Certified Accountant (“CA”) examination and (2) the second level Certified Professional Accountants (“CPA”) and Certified Public Accountants (“CPA”) examination; Provided, that the first level CA examination is mandatory for the holders of the Accountancy course or program referred to in Section 14 of this Act who shall practice accountancy; Provided further, that the second level CPA examination shall be optional for those who (1) have passed the CA examinations and (2) have gained three years of meaningful work experience as may be defined in rules and regulations that shall be issued for this purpose; Provided finally, that there shall be a

specific CPA examination that shall be given for each Accountancy course or program accredited by the CHED or other authorized government offices.

Section 9. Section 14 is hereby amended as follows:

Section 14. Qualifications of Applicant for the Licensure Examinations. - Any person applying for examination shall establish the following requisites to the satisfaction of the Board that he/she:

- a) is a Filipino citizen;
- b) is of good moral character;
- c) is a holder of the degree of Bachelor of Science Accountancy degree or program conferred by the school, college, academy or institute duly recognized and/or accredited by the CHED or other authorized government offices; and
- d) has not been convicted of any criminal offence involving moral turpitude.

Provided that person who is not a citizen of the Philippines may be allowed to take the Licensure Examination upon completion of the applicable requirements indicated above and after proving in a manner provided by the Philippine Rules of Court that, by specific provision of law, the country of which he is a citizen, subject, or national allows citizens of the Philippines to take the licensure examination or any other similar process, or to the practice of the profession on terms of strict and absolute equality with citizens, subjects, or nationals of the country concerned.

Section 10. Section 15 is hereby amended as follows:

Section 15. Scope of Examination. - The CA and CPA licensure examinations shall include such subjects that may be prescribed by the Board, subject to the approval of the Commission. Furthermore, the Board, with the approval of the Commission, may be allowed to outsource the preparation of some of the questions that shall be used in the licensure examinations.

Section 11. Section 16 is hereby amended as follows:

Section 16. Rating in the Licensure Examination. – (a) Rating in the Certified Accountant examinations. To be qualified as having passed the licensure examination for Certified Accountant and be considered as a licensed accountant, a candidate must obtain a general average of seventy five percent (75%), with no grade lower than sixty-five percent (65%) in any given subject. In the event a candidate obtains the rating of seventy-five percent (75%) and above in at least a majority of subjects as provided for in this Act, he/she shall receive a conditional credit for the subjects passed: Provided, That a candidate shall take an examination in the remaining subjects within two (2) years from preceding examination: Provided, further, That if the candidate fails to obtain at least a general average of seventy-five percent (75%) and a rating of at least sixty-five percent (65%) in each of the subjects reexamined, he/she shall be considered as having failed the entire examination.

(b) Rating in the Certified Professional or Certified Public Accountant examinations - To be Certified Professional Accountant and be considered as a licensed accountant, a candidate must obtain a general average of seventy five percent (75%),

Section 12. Section 17 is hereby amended as follows:

Section 17. Report of Rating. - The Board shall submit to the Commission the rating obtained by each candidate within ten (10) calendar days after the examination, unless extended for just cause. Upon the release of the results of the examination, the Commission shall send by mailing the rating received by each examinee at his/her given address using the mailing envelop submitted during the examination or by other means of transmittal that the Board may recommend to the Commission.

Section 13. Section 18 is hereby amended as follows:

Section 18. Failing CA Examination Candidates to Take Refresher Course. - Any candidate who fails in two (2) complete CA examinations shall be disqualified from taking another set of examinations unless he/she has submitted evidence to the satisfaction of the Board that he/she enrolled in and completed at least twenty-four (24) units of subject given in the licensure examination.

For purposes of this Act, the CA examination in which the candidate was conditioned together with the removal examination on the subject in which he/she failed shall be counted as one complete examination.

Section 14. Section 21 is hereby amended as follows:

Section 21. Roster of Licensed Accountants. - A roster showing the names and place of business of all licensed accountants shall be prepared and updated by the Board.

Section 15. Section 22 is hereby amended as follows:

Section 22. Indication of Certificate of Registration, Identification Card and Professional Tax Receipt. - The licensed accountant shall be required to indicate his/her certificate of registration number and date of issuance, the duration of validity, including the Professional Tax Receipt number on the documents he/she signs, or uses. .

Section 16. Section 25 is hereby amended as follows:

Section 25. Reinstatement, Reissuance and Replacement of Revoked or Lost Certificates. – The Board may, after the expiration of two (2) years from the date of revocation of a certificate of registration and upon application and for reasons deemed proper and sufficient, reinstate the validity of a revoked certificate of registration and in so doing, may, in its discretion, exempt the applicant from taking another examination. A new certificate of registration to replace lost, destroyed, or mutilated certificate/license may be issued, subject to the rules and promulgated by the Board and the Commission, upon the payment of the required fees.

Section 17. Sections 26 to 28 and 30 to 32 are hereby amended as follows:

**ARTICLE IV
PRACTICE OF ACCOUNTANCY**

Section 26. Prohibition in the Practice of Accountancy. - No person shall practice accountancy in this country, or use the title "Certified Accountant," Certified Professional; Accountant" or "Certified Public Accountant", or use the abbreviated title "Acct," "CA," or "CPA" or display or use any title, sign, card, advertisement or other device to indicate such person practices or offers to practice accountancy, or is a licensed accountant, unless such person shall have received from the Board a certificate of registration/Professional license and be issued a professional identification card or a valid temporary/special permit duly issued to him/her by the Board and the Commission.

Section 27. Vested Rights. - Certified Public Accountants Registered When This Law is Passed. - All certified public accountants registered at the time this law takes effect shall automatically be registered under the provisions hereof, subject, however, to the provisions herein set forth as to future requirements. Certificate of Registration/Professional license held by such persons in good standing shall have the same license force and effect as though issued after the passage of this Act.

Section 28. Forms of Practice of Public Accountancy. - The practice of public accountancy can be in the form of a sole practice; professional partnership, including that with limited liability; and a corporation, the stock holders of which are all licensed accountants. The Board, with the concurrence of the Commission, shall issue the rules and regulations to implement the practice of public accountancy in the form of a limited liability partnership and a corporation.

Section 30. Accredited Professional Organization. - All registered licensed accountants shall be united and integrated through their membership in a one and only registered and accredited national professional organization of registered and licensed accountants, which shall be registered with the Securities and Exchange Commission as a nonprofit corporation and recognized by the Board subject to the approval by the Commission. The members of the said integrated and accredited national professional organization shall receive benefits and privileges appurtenant thereto upon payment of required fees and dues. Membership in the integrated organization shall not be a bar to membership in any other association of certified public accountants.

Section 31. Accreditation to Practice Accountancy. -

(a) Accreditation to Practice Public Accountancy . Certified Public accountants, firms partnerships, engaged in the practice of public accountancy including partners and staff members thereof, and corporations, including its stockholders and officers who are certified public accountants, shall register with the Commission and the Board and/or Accountancy Regulatory Office, such registration to be renewed at time intervals to be prescribed by the Board and/or the ARO : Provided, That subject to the approval of the Commission, the Board and/or ARO shall promulgate rules and regulations for the implementation of registration requirements including the fees and penalties for violation thereof. Provided further, that the sole power to regulate the practice of accountancy and accredit Certified Public Accountants, including among others- their categorization/classification to the exclusion of all other government agencies, shall belong to the Board and/or the ARO.

(b) Accreditation of Certified Accountants and Certified Professional Accountants in Commerce and Industry, in Education and in Government. The Board and/or the Accountancy Regulatory Office shall have the authority to require the accreditation of the CAs and CPAs in the sectors of Commerce and Industry, in Education and in Government, following the rules and regulations that may be prescribed for this purpose; Provided further, that the sole power to regulate the practice of accountancy in the various sectors, including among others – their categorization/classification to the exclusion of all other government agencies, shall belong to the Board and/or the Accountancy Regulatory Office.

Section 32. Continuing Professional Development (CPD) Program. - All licensed accountants shall abide by the requirements, rules and regulations on continuing

professional development to be promulgated by the Board, subject to the approval of the Commission, in coordination with the accredited national professional organization of certified accountants or any duly accredited educational institutional. For this purpose, a CPD Council is hereby created to implement the CPD program.

Section 22. Article V is hereby added as follows:

**ARTICLE V
ACCOUNTANCY REGULATORY OFFICE**

Section 37. Creation of the Accountancy Regulatory Office. - The Accountancy Regulatory Office, ("ARO") shall be created. The ARO shall be under the supervision and administrative control of the Professional Regulation Commission or any other government office that the President of the Philippines may designate. The ARO shall be headed by an Executive Director whose salary shall be equivalent to that of the Chairman of the Board of Accountancy.

Section 38. Powers and Functions of the ARO. - The ARO shall exercise the following specific powers, functions and responsibilities:

- a) To prescribe and adopt the rules and regulations necessary for regulating the accountancy profession and carrying out the provisions of this Act;
- b) To supervise the practice of accountancy in the Philippines;
- c) To issue, suspend, revoke, reinstate the Certificate of Accreditation that may be prescribed for the practice of the accountancy profession;
- d) To administer and implement the Continuing Professional Development Program
- e) To conduct an oversight into the quality of audits of financial statements and operations of certified public accountants through a quality assurance review of the control and practice operational measures instituted by auditors in order to ensure compliance with the accounting and auditing standards, rules, regulations and practices,. For this, the ARO may disclose the results of the review it has conducted to provide feedback to the certified public accountants on their practice of profession
- f) To adopt an official seal of the ARO ;
- g) To monitor the conditions affecting the practice of accountancy and adopt such measures, including promulgation of, rules and regulations and best practices as may be deemed proper for the effective regulation of the

accountancy profession. That, the special requirements of Micro ,Small and Medium Business Enterprises shall be considered in the promulgation of the standards, rules and regulations

- h) To investigate violations of this act and the rules and regulations promulgated hereunder and for the purpose, to issue summons, subpoena and subpoena ad testificandum and subpoena duces tecum to violator or witness thereof and compel their documents in connection therewith: Provided, That the ARO upon approval and concurrence of the Commission may, subject to such rules and regulations that may be promulgated to implement this section, delegate the fact-finding aspect of such investigations to the accredited national professional organization of certified public accountant: Provided, further, That the ARO and/or the Commission may adopt their findings of fact as may be seems fit; The ARO may, muto proprio in its discretion, may such investigations as it deem necessary to determine whether any person has violated any provisions of this law, any accounting or auditing standard or rules duly promulgated by the ARO as part of the rules governing the practice of accountancy;
- i) To issue a cease or desist order to any person, associations, partnership or corporation engaged in violation of any provision of this Act, any accounting or auditing standards or rules of duly promulgated by the ARO as part of the rules governing the practice of accountancy in the Philippines;
- j) To punish for contempt of the ARO , both direct and indirect, in accordance with the pertinent provision of and penalties prescribed by the Rules of Court;
- k) To implement a Whistleblower Program that will encourage the reporting of instances of violations of the provisions of this Act , standards and Implementing Rules and Regulations
- l) To pursue the development and upliftment of the public practice of the Small and Medium Practitioners (SMP), including but not limited to the consolidation, merger or strengthening of the organization of the SMPs
- m) To exercise such other powers as may be provided by law as well as those which may be implied from, or which are necessary or incidental to the carrying out of, the express powers granted to the Board to achieve the objectives and purposes of this Act. The policies resolution, rules and regulations issued or promulgated by the ARO shall be subject to review and approval of the Commission. However, the ARO Board's decisions, resolutions or orders rendered in the administrative cases shall be subject to review only if on appeal:

Section 39. Quality Assurance Review Fund. The ARO is authorized collect fees in the course of regulatory function, where such fees collected will be held in trust as a “Quality Assurance Review Fund” by the ARO in a trust fund, no portion thereof or any of its income shall accrue to the General Fund of the National Government. The fund will partially finance the quality assurance review activities and allowances that shall be paid to the quality inspectors or reviewers who will be conducting the Quality Assurance Review of the ARO.

Section 40.. Organization and staffing plan for the ARO. - The organization structure and the staffing plan of the ARO shall be prepared by the Board of Accountancy. In the preparation, the Board shall consider the requirements to discharge the functions prescribed in Section 38. With the concurrence of the Commission, the organization and staffing plan shall be referred to the Department of Budget and Management for evaluation and approval thereof.

Section 23. A new Article VI is hereby added as follows:

ARTICLE VI ACCOUNTANCY COUNCILS

Section 41. Accountancy Councils. - The Financial Reporting Standards Council, ,the Auditing and Assurance Standard Council, the Public Sector Financial Accounting Reporting Council, the Accountancy Education Council and the Ethics Standards Council (“Accountancy Councils”) are created. These Accountancy Councils shall be under the supervision and administrative control of the Board of Accountancy or any other government office that the President of the Philippines may designate. Each of the Advisory Councils shall be headed by a Technical Director whose salary shall be equivalent to that of the Member of the Board of Accountancy. The composition of the Councils shall come from the representatives of the APO and various sectoral organizations as may be prescribed by the Board of Accountancy with the concurrence of the Commission,

Section 42. Powers and Functions of the Accountancy Councils . - The Accountancy Councils shall exercise the following specific powers, functions and responsibilities:

- a) Financial Reporting Standards Council, (1) to establish standards for financial reporting of entities in the private sector for approval of the Board of Accountancy and, (2) to facilitate their adoption and implementation
- b) Auditing and Assurance Standard Council, - (1) To establish standards for auditing, assurance, and other related areas for the approval of the Board of Accountancy, and (2) to facilitate their adoption and implementation

- c) Public Sector Financial Accounting Reporting Council- (1) To establish standards for the sector entities for the approval of the Board of Accountancy, and (2) to facilitate their adoption and implementation
- d) Accountancy Education Council – (1)To establish standards in the area of accounting education for the approval of the Board of Accountancy, (2) to facilitate their adoption and implementation (3) to coordinate with the Commission of Higher Education and accounting schools on matters on the accounting education, (4) to conduct inspection of accounting schools based on rules and regulations to be issued by the Board of Accountancy with the concurrence of the Professional Regulation Commission,
- e) Ethics Standards Council –To establish standards in professional ethics and governance for the approval of the Board of Accountancy, and (2) to facilitate their adoption and implementation

Section 43. Organization and staffing plan for the Accountancy Councils. - The organization structure and the staffing plan of the various Accountancy Councils shall be prepared by the Board of Accountancy. In the preparation,, the Board shall consider the requirements to discharge the functions prescribed in Section 42. With the concurrence of the Commission, the organization and staffing plan shall be referred to the Department of Budget and Management for evaluation and approval thereof.

Section 44 Appropriations. - The amount needed for the initial implementation of the ARO and the various Accountancy Councils shall be taken from the current fiscal years appropriation of the Professional Regulation Commission. Thereafter, the amount needed for this purpose shall be included in the General Appropriations Act. More ever, nothing in this Act shall prevent the National Government for allocating funds for the operations and capital equipment acquisition of the ARO and the various Accountancy Councils

Section 24. A new Article VII is hereby added as follows:

ARTICLE VII SPECIAL PROVISIONS

Section 45. Requirement for Licensed Accountant n Audit Committee. The Audit Committee of publicly listed companies in the Philippines shall be required to include at least one Licensed Accountant to be a Chairperson or member of Audit Committees of publicly listed companies in the Philippines.

Section 46. Authority of Commission of Audit to allow Certified Public Accountants to conduct accounting and audit services of the financial records and financial statements of government units, including government owned and controlled corporations. The Commission of Audit can promulgate the necessary issuance to allow CPAs to to

conduct accounting and audit services of the financial records and financial statements of government units, including government owned and controlled corporations.

Section 25. Article V is hereby amended as follows:

**ARTICLE VIII
PENAL AND FINAL PROVISIONS**

Section 46. Penal Provision. - Any person, whether accountant or not, who shall commit a violation of any of the provisions of this Act or any of its Implementing Rules and Regulations by himself or through conspiring and abetting with others, shall upon conviction, be punished by a fine of not less than Five Thousand Pesos (5,000.00) and/or imprisonment for a period of not less than six (6) but not more than six (6) years. Violations include, but are not limited to:

- a) Illegal practice of profession
 - i. False or fraudulent issuance of an audit or assurance report;
 - ii. False representations in a compilation report;
 - iii. Fraudulent documentation or use of falsified documents as basis for an audit or assurance report;
 - iv. Practice of accountancy profession without a valid and effective license; [or accreditation]
- b) Gross negligence in the conduct of an audit or assurance engagement
- c) Violation of the Code of Ethics for Professional Accountants or any rule of professional conduct promulgated by the Board;
- d) Dishonesty, fraud or deceit in obtaining a license or certificate of accreditation;
- e) Disclosure of information on administrative and criminal cases filed/decided by the Board.
- f) Any other violation of this Act or any of its Implementing Rules and Regulations.

Section 47. Implementing Rules and Regulations. - Within Ninety (90) days after the effectivity of this Act, the Board, subject to the approval and concurrence of the Commission and in coordination with the accredited national professional organization of licensed accountants, shall adopt and promulgate such rules and regulations to carry out the provisions of this Act and which shall be effective Fifteen (15) days following their publication in the Official Gazette or in any of the major daily newspaper of general circulation.

Section 48. Enforcement of this Act. - It shall be primary duty of the Commission and the Board, ARO and the Accountancy Councils to enforce the provisions of this Act. All duly constituted law enforcement agencies and officers of national, provincial, city or municipal government or of any political subdivision thereof, shall upon the call or request of the Commission, the Board, ARO and Accountancy Councils, render assistance in enforcing the provisions of this Act and to prosecute any person violating the provisions of the same.

Section 49. Transitory Provision. - Pending the organization of the Accountancy Regulatory Office and the Accountancy Councils, the Board and any other organizations recognized by the Board shall be responsible for discharging the functions thereof. The Certified Public Accountant licensure examination prescribed in Republic Act No. 9892 shall continue pending the start of the effectivity of the two level licensure examinations upon the issuance of the Implementing Rules and Regulations by the Board with the concurrence of the Commission.

Section 50. Separability Clause. - If any clause, provisions, paragraph or parts thereof shall be declared unconstitutional or invalid, such judgment shall not affect, invalidate or impair any other part hereof, but shall be merely confined to the clause, provisions, paragraph or part directly involved in the controversy in which such judgment has been rendered.

Section 51. Amendatory Clause. – Republic Act No. 9298 is hereby amended and all other laws, orders, rules and regulations or resolutions or part/s thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 26. Transitory Provision. - Pending the organization of the Accountancy Regulatory Office and the Accountancy Councils, the Board and any other organizations recognized by the Board shall be responsible for discharging the functions thereof. The Certified Public Accountant licensure examination prescribed in Republic Act No. 9892 shall continue pending the effectivity of the two (2) level licensure examinations upon the issuance of the Implementing Rules and Regulations by the Board with the concurrence of the Commission.

Section 27. Separability Clause. - If any clause, provision, paragraph or part thereof shall be declared unconstitutional or invalid, such judgment shall not affect, invalidate or impair any other part hereof, but shall be merely confined to the clause, provisions, paragraph or part directly involved in the controversy in which such judgment has been rendered.

Section 28. Amendatory Clause. – Republic Act N. 9298 is hereby amended and all other laws, orders, rules and regulations or resolutions or part/s thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 29. Implementing Rules and Regulations. - Within Ninety (90) days after the effectivity of this Act, the Board, subject to the approval and concurrence of the Commission and in coordination with the accredited national professional organization of licensed accountants, shall adopt and promulgate such rules and regulations to carry out the provisions of this Act and which shall be effective Fifteen (15) days following their publication in the Official Gazette or in any of the major daily newspaper of general circulation.

Section 30. Effectivity. - This Act shall take effect after Fifteen (15) days following its publication in the Official Gazette or in any major daily newspaper of general circulation.