



Joel L. Tan-Torres  
**DEBIT CREDIT**

## **Rising to greater heights**

The resurrection and rising of our Lord Jesus Christ is the highlight of the Holy Easter celebration just passed.. For those accountants involved in the Small, Medium Practice (SMP), this can be the inspiration for them to rise to greater heights.

SMPs in the Philippines consist of around 6,300 practices of the more than 6,700 Board of Accountancy accredited CPAs, firms and partnerships. They number over 95% of the total number of those engaged in public practice of accounting and auditing. The SMPs service most of the more than 900,000 Micro, Small, Medium Enterprises doing business in the Philippines. Definitely, these numbers indicate the role and value of the SMPS in the accountancy profession and in the economy of the country.

But similar to any small enterprise, the SMPs face a lot of constraints and shortcomings. They have to contend with the various myriad of government regulatory requirements, including accreditation with various government offices, tax compliance impositions, labor rules and regulations, and many others. The SMPs have to bear the high cost of doing business and incur a financial burden for renting their office, hiring professional staff, complying with their Continuing Professional Development obligations, etc. They have to complete to provide the best services at sometimes unreasonably low fees to their clients. The SMPS are oftentimes at a disadvantage in attracting CPAs to work for them as they have to compete with the bigger practices and firms which offer more in terms of benefits and stature. They have to contend with the ever changing developments and changes in the international and local accounting rules and standards. The SMPs should also anticipate the demands that a disruptive technology will bring in the future.

At the same time, the SMPs can and should take advantage of the opportunities in their field. The positive business and investment climate in the Philippines will always require the services of accountants to the various stakeholders and business enterprises. Likewise, with the continued demand for professional accountancy services in the various countries abroad, it is high time that Filipino SMPs consider the possibility of expanding their practice and services to the global community. The various Mutual Recognition Arrangements for accountancy services and liberalization initiatives will push further the overseas opportunities.

However, for the SMPs to gain a headway in all of these opportunities, they should be ready to change mindsets and practices. They should start preparing and investing to be the best in their league. While there are so many potential clients out there that may tap the SMPs for their services, it is also true that the SMP will have to out shine the many other professionals focused on getting your targeted engagement. The process to improving your SMP is a long and difficult one. But it is doable for as long as one is disciplined and focused.

The Board of Accountancy (BoA) is focused on assisting the SMP which has the vision to excel. In the Six Point Expanding Horizons Strategic Plan, it has key strategies and approaches in empowering the SMPs, to

include, instituting quality and governance measures, enhancing the image and reputation of the professional accountant, instituting structural changes, and providing communicating and assistance mechanisms.

With the BoA focused towards uplifting the profession, SMPs can expect that their time to rise to greater heights is within the horizon.

(Note: The BoA will hold an “Expanding the Horizons of SMPs” Summit on May 9 and 10, 2017. Announcements on this will be posted in this column next week and in the Face Book Professional Regulatory Board of Accountancy and [boa.com.ph](http://boa.com.ph) website)

**To be continued**

**Chairman Joel L. Tan-Torres is the chairman of the Professional Regulatory Board of Accountancy. He is a Certified Public Accountant who placed No. 1 in the May 1979 CPA Board Examinations. He is concurrently a tax partner of Reyes Tacandong & Co., CPAs. He was the former Commissioner of the Bureau of Internal Revenue from 2009 to 2010.**

*This column accepts contributions from accountants, especially articles that are of interest to the accountancy profession, in particular, and to the business community, in general. These can be e-mailed to [boa.secretariat.@gmail.com](mailto:boa.secretariat@gmail.com)*