

MEETING GLOBAL STANDARDS FOR THE GLOBAL FILIPINO CPA

By: Atty. Samuel B. Padilla

The International Federation of Accountants (IFAC) is the global organization for the accountancy profession for which the Philippines is a member-country. The organization supports the development, adoption and implementation of international standards for accounting education, ethics and the public sector as well as audit and assurance. To maintain membership, IFAC set out the seven Statement of Membership Obligations (SMOS), one of which is the International Education Standards (IES). IES set forth a number of education and training requirements in order to be able to offer Professional Accountancy Services.

The current IES entry requirements for accountants are as follows:

- A University education with adequate curriculum standards
- At least three (3) years of practical experience under an experience mentor; and
- Passing a qualifying examination.

In addition, once a prospective accountant gains entry to the profession, IES require at least 120 hours of continuing professional development (CPD) over each three-year period (or, on average 40 hours per year) to maintain his professional license.

In a report prepared in cooperation of the ASEAN Federation of Accountants (AFA) by World-Bank, a survey was made on the comparison of entry requirements in ASEAN countries for the accounting profession where it showed that the three (3) years practical experience is required before an applicant could qualify as a professional accountant in this respective countries.¹

In the same report, the World Bank has recommended that AFA should consider providing coordination, facilitation and oversight of the three IES entry requirements, notably to implement a common standard for practical experience and mentoring arrangements and the establishment of a common standard for CPD requirements and monitoring its compliance.

To conform with the 120 hours CPD as required by IFAC, as a requirement to maintain the professional license, the Congress passed into law Republic Act No. 10912, otherwise known as the “Continuing Professional Development Act of 2016.”

Additionally, in order to develop capable and competent accountancy professionals, we need to establish and implement a common standard for practical experience requirements that complies with IES> .The Board of Accountancy should re-define the extent and scope of the “minimum three years of meaningful experience.” on the context of improving the quality of public practice.

It is noteworthy that the ten ASEAN member-countries forged the ASEAN Mutual Recognition Arrangement (MRA) on Accountancy Services adopted the three IES entry requirements of the IFAC before and applicant can qualify as an ASEAN Accountant. This MRA was signed by all ASEAN, representatives including the Philippines, in November 2015, and is an international agreement that is binding to all the signatories. This MRA will provide mobility to the qualified accountants in the ASEAN region in pursuing their accountancy work in the 10 member countries. The Filipino CPAs will be a beneficiary of this mobility privilege since our CPAs have long been going throughout the world to share their expertise. With the CPD and the three year practical

experience in place in the accountancy profession in the Philippines, the Filipino CPA can very well compete throughout the accountancy world as a truly global accountant.



Samuel B Padilla, MBA, DBA, is a CPA Lawyer by profession, and a member of the Board of Accountancy. He is a member of the Philippine Institute of Certified Public Accountants and a Fellow of Institute of Corporate Directors