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**DEBIT CREDIT**

## **NEW TOPICS IN THE CPA BOARD EXAMINATIONS**

The Board of Accountancy (BoA) has recently overhauled the Certified Public Accountant (CPA) Licensure Examinations that it administers. The changes were brought about in BoA Resolutions Nos. 274 and 275 Series of 2015, and No. 114 Series of 2016. These resolutions were directed towards updating the CPA Licensure Examination coverage and format. It has been about 40 years since the Certified Public Accountant (CPA) Licensure Examinations were last revised,

The BoA Resolution No. 275-2015 prescribes new topics for the subjects of Regulatory Framework for Business Transactions (RFBT) and Taxation beginning the October 2017 CPA Board examinations. These new topics include the regulatory measures and laws that are encountered even by the new CPAs in the course of their work and engagements.

The new topics include provisions of the Financial Rehabilitation and Insolvency Act (FRIA). This law was passed on August 16, 2010. The FRIA expressly repealed Insolvency Act (Act of 1956) and impliedly repealed the Rules of Procedure on Corporate Rehabilitation promulgated by the Supreme Court in 2008. Accordingly, the sub-topics covered in the RFBT Syllabus and Table of Specifications (specifically those covered in sections 4.2.1 TO 4.3.5 in BoA Resolution 275-2015) are modified, to cover the provisions in the FRIA of General Provisions and Definition of Terms, Voluntary and Involuntary Proceedings, Suspension of Payment or Stay Order, Various Types of Rehabilitation Plans, Insolvency of Individual Debtor, Liquidation of Insolvent Juridical and Individual Debtors. And Rehabilitation Receiver, and the Committee and Liquidator.

The other new topics in RFBT are the pertinent provisions in the Revised Securities Act, Security Exchange Commission circulars and issuances, Code of Corporate Governance, Cooperative Code, the Philippine Deposit Insurance Corporation Law, Secrecy of Bank Deposits and Unclaimed Balances Law, General Banking Law, the Anti-Money Laundering Act, the New Central Bank Act, Intellectual Property Law, Law on Patents, Law on Trademark, Service Marks and Trade Names, and the Law on Copyright.

On the other hand, the new topics to be covered in the Taxation subject in the CPA Board Examination includes taxation under the Local Government Code, Senior Citizens Law, Magna Carta for Disable Persons, 3 Special Economic Zone Act, Omnibus Investments Code (Book 1 of Executive Order 226), Barangay Micro Business Enterprises Act, Tariff and Customs Code of 1978 (as amended by the Customs Modernization and Tariff Act). The principles in Double Taxation Agreements will also be included in the examination in light of the globalization thrust of businesses,

BoA Resolution 114-2016 also clarified that the Code of Ethics for Professional Accountants and Republic Act No. 9298, or the Accountancy Act of 2004, are included in the coverage of the CPA Board Examinations. The same resolution also provided that "Effective Communication to Stakeholders" shall be incorporated in all the six examination subjects. This emphasizes the importance of CPAs being competent in their verbal and written skills.

It is clear that the qualification examination system for CPAs has been fine tuned to meet the requirements of the times and the accountancy profession,

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*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)*