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REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. _____

Introduced by REPRESENTATIVE _____

EXPLANATORY NOTE

The current accountancy law (R.A.No. 9298) was enacted way back in 2004. Although some provisions of the said law are still relevant up to the present time, the proponent of this bill is of the opinion that the law needs amendments of certain provisions in order to make it more responsive to the current requirements of the practice of the accountancy profession in the Philippines.

Among others, this proposed bill is intended to amend and introduce certain provisions of R.A. 9298 in order to achieve the following:

1. To redefine the practice of accountancy in accordance with current trends in the practice of the profession.
2. To expressly provide that the Board of Accountancy has the exclusive oversight and supervision over the registration, accreditation and the practice of accountancy in the Philippines to the exclusion of other government regulatory agencies.
3. To legitimize the creation of Standard Setting Bodies and to justify the appropriation of funds to carry out its functions.
4. To give emphasis to the relationship of the Professional Regulation Commission – Board of Accountancy (PRC-PBOA) with the Commission on Higher Education (CHED) and other government agencies in regulating educational institutions which are offering Accountancy program and for this purpose the creation of the Education Technical Council (ETC)
5. To amend the requirements for admission to the licensure examinations for Certified Public Accountants to give Filipino citizens who are graduates of foreign schools the chance to take the examination. Further, it is envisioned that requiring an examinee to undergo professional experience before taking the licensure examination would give him/her a greater chance of passing the licensure examination. Also, this would be a major step of improving the national passing percentage of the licensure examination.
6. To modify the manner of determining whether an examinee passed or failed the examination and elimination of the provision granting conditional status to some examinees and to discontinue the publication of top performing examinees as this had resulted to being made as marketing strategy by some review centers. Moreover, the existing provision on the conduct of refresher course is being discontinued due to the removal of the granting of conditional status to the examinees.
7. To strengthen the practice of the profession through accreditation and compliance with continuing professional development requirements.
8. To provide a provision that will specify the integration of the accountancy profession into one accredited professional organization.

62 9. A provision on Rules of Professional Conduct is being proposed to strengthen the
63 enforcement of the Code of Ethics of CPAs in the Philippines.

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65 10. To provide appropriations for budgetary requirements necessary for the conduct of the
66 activities of the standard setting bodies of the Accountancy profession and the Education
67 Technical Council.

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70 The approval of this bill is earnestly sought.

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74 Name of Sponsoring Congressman

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REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. _____

Introduced by REPRESENTATIVE _____

**AN ACT
STRENGTHENING THE PRACTICE OF ACCOUNTANCY
IN THE PHILIPPINES, AMENDING FOR THE
PURPOSE REPUBLIC ACT NO. 9298**

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. - Section 1 of Republic Act No. 9298 is hereby amended to read as follows:

“Section 1. Short Title – This Act shall be known as the “Accountancy Act of 2021”

SEC. 2. - Section 4 of the same Act is hereby amended to read as follows:

“Section 4 – Definition of practice of Accountancy – The practice of accountancy is defined as:

- a. offering to perform or performing attest and/or compilation services.*
- b. offering to perform or performing, for other persons, one or more types of the following services involving the use of professional skills or competencies, but not limited to, accounting, management advisory services, financial advisory, and tax including professional services rendered to clients in any and all matters related to accounting concepts and to the recording of financial data or information or the preparation or presentation of financial statements.*
- c. performing, for one’s employer, a private entity, or government, of one or more types of services, but not limited, to accounting, financial, corporate finance, tax, audit and compliance including the signing, delivering or issuing any financial, accounting or related statement or report involving the use of professional skills or competencies.*
- d. teaching of accountancy, auditing, management services, finance, business law, taxation and other related subjects offered by schools and colleges recognized by the CHED or by authorized government offices.”*

173 **SEC. 3 – A new section is introduced in Section 4 of the same Act and to read as**
174 **follows:**

175
176 *“Section 4-a. Definitions.*

177 *As used in this section:*

- 178 1. *"Attest" means providing the following accountancy services which all require the*
179 *independence of licensees:*
- 180 a. *any audit to be performed in accordance with the domestic and international*
181 *auditing standards or other similar standards, promulgated by the Board and the*
182 *Commission;*
 - 183 b. *any review of a financial statement to be performed in accordance with the*
184 *domestic and international accounting standards promulgated by the Board and the*
185 *Commission; or*
 - 186 c. *any examination to be performed in accordance with the attestation standards*
187 *promulgated by the Board and the Commission;*
- 188 2. *"Certified Public Accountant" or "CPA" means any person who has received a license*
189 *from the Professional Regulation Commission, to practice accountancy in the*
190 *Philippines.*
- 191 3. *"Compilation" means providing a service that presents, in the form of financial*
192 *statements, information that is the representation of the management or owners of the*
193 *client without undertaking to express any assurance of the accuracy of the information*
194 *in the financial statements, to be performed in accordance with the standards*
195 *promulgated by the Board and the Commission.*
- 196 4. *"Firm" means a domestic entity organized as a sole proprietorship, or a general*
197 *professional partnership, that is established for the business purpose of lawfully*
198 *engaging in the practice of accountancy.”*

199
200 **SEC. 4. – Section 9(b) of the same Act is hereby amended to read as follows:**

- 201
202 “(a) xxx”
203 “(b) *To have exclusive oversight and supervision over the licensure, registration,*
204 *accreditation and practice of accountancy in the Philippines.”*

205
206 **SEC. 5. – Section 9(n) of the same Act is hereby amended to read as follows:**

- 207
208 “(a) xxx “
209 “(m) xxx”
210 “(n) *To coordinate with the Commission on Higher Education (CHED) and other authorized*
211 *government offices in ensuring that all higher educational instructions and offering of*
212 *accountancy education comply with the policies, standards and requirements prescribed by*
213 *CHED and other authorized government offices in the areas of curriculum, faculty, library*

214 *and facilities. For this purpose, an Education Technical Council shall be created by the*
215 *Board.”*

216
217 **SEC. 6. – Section 9(g) of the same Act is hereby amended to include a new sentence**
218 **and to read as follows:**

219
220 “Section 9(g) – xxx and generally accepted best practices. *For this purpose, Standard-*
221 *setting bodies shall be established by the Commission to assist the Board in the*
222 *promulgation and adoption of domestic and international accounting and auditing standards*
223 *and generally accepted best practices.”*

224
225 **SEC. 7. – Section 14 of the same act is hereby amended to read as follows:**

226
227 “Section 14 – Requirements for a license as a Certified Public Accountant - *To qualify for a*
228 *license as a certified public accountant, an applicant shall fulfill the following requirements:*

- 229 1. *Application: file an application with the Commission*
- 230 2. *Age: be at least twenty-one years of age*
- 231 3. *Citizenship: is a Filipino citizen*
- 232 4. *Character: be of good moral character and has not been convicted of any criminal*
233 *offense involving moral turpitude.*
- 234 5. *Education: is a holder of the degree of Bachelor of Science in Accountancy conferred*
235 *by a school, or college duly recognized by the CHED or a holder of a degree conferred*
236 *by a foreign school or college of Accountancy which had been issued a certificate of*
237 *equivalency by CHED. Graduates of foreign schools shall be required to enroll in any*
238 *school or college duly recognized by the CHED for 1 year (2 semesters) and complete*
239 *at least 30 units of subjects related to Philippine Business Laws and Taxation and such*
240 *other subjects covered by the licensure examination.*
- 241 6. *Experience: have at least two (2) years of diversified experience in any field of practice*
242 *in accountancy prior to the licensure examination in accordance with the regulations*
243 *to be prescribed by the Board.*
- 244 7. *Examination: pass a written licensure examination in accordance with the provisions*
245 *of Section 15 and Section 16 of the same Act, as amended.”*

246
247 **SEC.8. – Section 15 of the same Act is hereby amended to read as follows:**

248
249 “Section 15 – Scope of Examination- *The licensure examination for certified public*
250 *accountants shall cover, but not limited, to the following subjects:*

- 251 1. *Financial Accounting and Reporting*
- 252 2. *Advanced Financial Accounting and Reporting*
- 253 3. *Management Services*
- 254 4. *Auditing*

- 255 5. Taxation
256 6. Regulatory Framework for Business Transactions

257
258 The Board, subject to the approval of the Commission, may revise or exclude any of the
259 subjects and their syllabi, and add new ones, review and modify the format, grading process
260 and passing score of the licensure examination, as the need arises.”

261
262 **SEC. 9. – Section 16 of the same Act is hereby amended to read as follows:**

263
264 *“To pass the licensure examination for certified public accountants, an examinee must*
265 *obtain a rating of PASSED in all subjects. A rating of PASSED shall be given to an*
266 *examinee in a particular subject if he/she obtained a numerical rating of at least 75% in*
267 *such subject. The report of rating shall not indicate the numerical score obtained but shall*
268 *only specify that the examinee either PASSED or FAILED in each subject.*

269
270 **SEC. 10.– Section 17 of the same Act is hereby amended to read as follows:**

271
272 *“Section 17 – Report of Rating and Publication of the Results of Licensure Examination –*
273 *The Board shall report the results of the licensure examination to the Commission within*
274 *ten (10) calendar days from the last day of the examination, unless extended for just cause.*
275 *The official results of the examination shall only contain, the names of those who passed*
276 *and failed the licensure examination without indication as to the passing / failing score, rank*
277 *or their respective schools/colleges. The list of passing examinees and the names and*
278 *performance of the schools/colleges, shall be posted in the official website of the*
279 *Commission.*

280
281 *Examinees who pass and fail the licensure examination are not entitled to receive their*
282 *examination papers or to see their scores.*

283
284 *Schools, colleges and review centers are prohibited from publishing the names of their top*
285 *performing students and reviewees in newspapers of general circulation, in other types of*
286 *mass media, and in all types of social media platforms.*

287
288 *The report of rating shall be sent by the Commission to every examinee using their e-mail*
289 *address which they have provided in their application forms.*

290
291 **SEC. 11. – Section 18 of the same Act is hereby DELETED;**

292
293 **SEC. 12. – Section 28 of the same Act is hereby amended to read as follows:**

294
295 *“Section 28 – Accreditation of a Firm –*

296
297 *“A firm, a single proprietor or a partnership, engaged in the practice of accountancy, as*
298 *defined in Section 4(a) & (b) of R.A. No. 9298, as amended, by this Act, shall be required*
299 *to apply for an accreditation with the Board and the Commission triennially, before it will be*
300 *allowed to practice accountancy.*

301
302 *The Board and the Commission shall establish in regulations an accreditation process for*
303 *the firms their staff and partners including the requirements in the application and*
304 *accreditation, reportorial requirements, imposition of fees, procedures in the renewal or*
305 *revocation of an accreditation or to take other disciplinary action for cause.”*

306
307 **Sec. 13 – Section 30 of the same Act is hereby amended to read as follows:**

308
309 “Section 30 – Integration of the Accountancy Profession – The Accountancy profession
310 shall be integrated into one (1) national organization which shall be accredited by the Board,
311 subject to the approval by the Commission, as the integrated and accredited professional
312 organization of certified public accountants: Provided however, That such an organization
313 shall be registered with the Securities and Exchange Commission, as a non-profit, non-
314 stock corporation to be governed by by-laws providing for democratic election of its officials.
315 A certified public accountant duly registered with the Board shall automatically become a
316 member of the integrated and accredited professional organization of certified public
317 accountants and shall receive the benefits and privileges provided for in this Act upon
318 payment of the required fees and dues. Membership in the integrated and accredited
319 professional organization of certified public accountants shall not be a bar to membership
320 in other associations or certified public accountants.

321
322 **SEC. 14 – Section 31 of the same Act is hereby amended to read as follows:**

323
324 “Section 31. - Accreditation of CPAs in Academe–
325
326 Certified Public Accountants engaged in the practice of accountancy as defined in Sec. 4(d)
327 of R.A. No 9298, as amended, shall be required to be accredited with the Board and the
328 Commission triennially.

329
330 *The Board and the Commission shall establish in regulations an accreditation process for*
331 *accounting teachers, including the requirements for initial accreditation and conditions for*
332 *the renewal of the accreditation, imposition of fees, procedures in the renewal, revocation,*
333 *or suspension of the accreditation and other related matters.”*

334
335 **SEC. 15 – Section 32 of the same Act shall be amended to read as follows:**

336

337 “Section 32 – Continuing Professional Development –

338
339 *Each registered certified public accountant and those employed by firms as certified public*
340 *accountants, either as partners or staff, shall comply with the mandatory continuing*
341 *professional development.*

342
343 *All certified public accountants shall abide by the regulations on mandatory continuing*
344 *professional development promulgated by the Board and the Commission in coordination*
345 *with the accredited national professional organization of certified public accountants or any*
346 *duly accredited educational institutions.*

347
348 *Certified public accountants who do not satisfy the mandated continuing professional*
349 *development requirements shall not be allowed to practice until they met such requirements*
350 *and they have been issued their current PICs by the Commission.”*

351
352 **SEC. 16. - Rules of Professional Conduct** – *The Board shall adopt rules of professional*
353 *conduct to establish and maintain high standards of competence and integrity in the practice*
354 *of accountancy and to ensure that the conduct of the practice by certified public accountants*
355 *serve the best interest of the public.*

356
357 **SEC. 17. - Section 40 of the same Act is hereby amended to read as follows:**

358
359 *“Section 40 – Appropriations – The Commission and the CHED shall immediately include*
360 *in their programs, the implementations of this Act, including the organization, manpower*
361 *and administrative requirements, and operation of the Standard-setting bodies and the*
362 *Education Technical Council, the funding of which shall be included in the General*
363 *Appropriations Act.”*

364
365 **SEC. 18. - Transitory Provision** – *The implementation of Section 14 and Section 16 of RA*
366 *9298, as amended by this Act, shall be effective for the licensure examination of 2022 or*
367 *on a date to be determined by the Board and the Commission as circumstances may*
368 *warrant.*

369
370 **SEC. 19. - Separability Clause** – *If any of the provision of this Act is declared*
371 *unconstitutional, the same shall not affect the validity and effectivity of the other provisions*
372 *hereof.*

373
374 **SEC. 20. - Repealing Clause** – *All laws, decrees, orders, issuances or portions thereof,*
375 *which are inconsistent with the provisions of this Act, are hereby repealed, amended or*
376 *modified accordingly.*

377

378 **SEC. 21. - Effectivity** – This Act shall take effect fifteen (15) days following its publication
379 in at least two (2) national newspapers of general circulation.

380

381 Approved.