



Republic of the Philippines
Professional Regulation Commission
Manila



PROFESSIONAL REGULATORY BOARD OF ACCOUNTANCY

Resolution No. 358
Series of 2016

INCREASING THE REQUIRED CONTINUING PROFESSIONAL DEVELOPMENT (CPD) UNITS FROM SIXTY (60) TO ONE HUNDRED TWENTY (120) CREDIT UNITS WITHIN A COMPLIANCE PERIOD OF THREE (3) YEARS FOR ALL CERTIFIED PUBLIC ACCOUNTANTS (CPAs) AND CHANGING THE THEMATIC AREAS TO COMPETENCE AREAS

WHEREAS, Section 10, Article III of Republic Act No. 10912 or the “Continuing Professional Development Act of 2016”, provides that compliance with the Continuing Professional Development (CPD) is a mandatory requirement in the renewal of Professional Identification Cards (PICs);

WHEREAS, Section 32 of Republic Act 9298, otherwise known as the “Philippine Accountancy Act of 2004”, states that all certified public accountants (CPAs) shall abide by the requirements, rules and regulations on continuing professional education to be promulgated by the Professional Regulatory Board of Accountancy (Board), subject to the approval of the Professional Regulation Commission (Commission), in coordination with the accredited national professional organization of certified public accountants or any duly accredited educational institutions. For this purpose, a CPE Council is hereby created to implement the CPE program;

WHEREAS, Board Resolution No. 59, Series of 2012, entitled “Clarifications and Amendments on the Rules and Regulations on Continuing Professional Education and Accreditation of CPAs in Public Accountancy and Accounting Education”, changed the term Continuing Professional Education (CPE) to Continuing Professional Development (CPD) and required sixty (60) credit units of CPD which may be earned by an individual professional in any of the three (3) years preceding the year of application for accreditation for the practice of public accountancy and accounting education;

WHEREAS, Board Resolution No. 3, Series of 2016, as amended, entitled “Requiring the Submission of Certificate by Responsible Certified Public Accountants on the Compilation Services for the Preparation of Financial Statements and Notes Thereto”, states that the CPAs preparing the financial statements, notes to the financial statements and the Certificate of Compilation Services shall first be accredited by the Board after submitting the necessary application requirements, including compliance with the requirements prescribed in existing rules and regulations;

WHEREAS, No. 34 of International Education Standards of the International Federation of Accountants (IFAC) defines CPD as the learning and development that develops and maintains professional competence to enable professional accountants to continue to perform their roles competently. CPD provides continuing development of the learning outcomes for (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes which were achieved during Initial Professional Development;

WHEREAS, the Philippine Institute of Certified Public Accountants (PICPA), the Accredited Integrated Professional Organization (AIPO) of CPAs in the Philippines, has among its objectives the promotion and maintenance of high professional and ethical standards among accountants, the advancement of the science of accounting, and development and improvement of accountancy education;

WHEREAS, PICPA, being a member of the IFAC, has an obligation to comply with the Statement of Membership Obligations (SMO) No. 2, entitled "International Education Standards for Professional Accountants (IES) and Other Pronouncements", issued by the International Accounting Education Standards Board;

WHEREAS, IES 7 states that IFAC member bodies implementing an input-based approach shall require each professional accountant to: (a) complete at least one hundred twenty (120) hours (or equivalent learning units) of relevant professional development activity in each rolling three-year period, of which sixty (60) hours (or equivalent learning units) shall be verifiable; (b) complete at least twenty (20) hours (or equivalent learning units) of relevant professional development activity in each year; and (c) measure learning activities to meet the above requirements;

WHEREAS, series of consultative meetings with the CPD Committees of PICPA, and the sectoral organizations, including the Association of CPAs in Public Practice, National Association of CPAs in Education, Association of CPAs in Commerce and Industry, and Government Association of CPAs, were made in order to come up with an effective and more relevant CPD program for the different areas/sectors of practice for CPAs;

WHEREAS, in said consultative meetings, the stakeholders agreed to increase the required CPD credit units from sixty (60) to one hundred twenty (120) over a three-year period for all CPAs in Public Practice, Education, Commerce and Industry and Government, and to change the thematic areas to competence areas in accordance with IES;

WHEREAS, the Association of Southeast Asian Nations Mutual Recognition Arrangement (ASEAN MRA) for Accounting Services, to which the Philippines is a signatory, made it necessary for professional accountants to keep and maintain competitiveness *vis-a-vis* their Southeast Asian counterparts, in view of the ASEAN Economic Integration. Such competitiveness is achieved through the continued acquisition and updating of knowledge, the honing of skills, and life-long learning.

NOW THEREFORE, the Board **RESOLVED**, as it now **RESOLVES** to increase the required CPD credit units from sixty (60) to one hundred twenty (120) units within a compliance period of three (3) years for all CPAs in Public Practice, Academe, Commerce and Industry and Government, and to change the Thematic Areas to Competence Areas which shall be categorized into Technical Competence, Professional Skills and Professional Values, Ethics and Attitudes.

Section 1. **Definition of Terms.** – The following terms used in this Resolution are defined as follows:

- a) **Continuing Professional Development** - refers to the inculcation of advanced knowledge, skills, and ethical values in a post-licensure specialization or in an inter- or multidisciplinary field of study, for assimilation into professional practice, self-directed research and/or lifelong learning;
- b) **CPD credit units** – refers to the value of an amount of learning that can be transferred to a qualification achieved from formal, informal, or non-formal learning setting, wherein credits can be accumulated to predetermined levels for the award of a qualification;

- c) **Competence** – refers to the ability to perform a work role to a defined standard with reference to working environments;
- d) **Competence area** – refers to a category to which a set of related learning outcomes can be specified;
- e) **Flexible CPD Activities** – refers to the CPD learning activities that may be earned by spending training or seminar hours beyond the minimum competence areas;
- f) **Input-based Professional Development Activities** – refer to the approaches to measure attainment of CPD by establishing an amount of learning activity for professional accountants to develop and maintain professional competence;
- g) **Online learning activities** – refer to structured or unstructured learning initiatives, which make use of the internet and other web-based Information and Communications Technology solutions;
- h) **Output-based Approaches** – refer to the approaches to measure attainment of CPD by requiring professional accountants to demonstrate that they have developed and maintained professional competence;
- i) **Professional** – refers to a person who is registered and licensed to practice a regulated profession in the Philippines and who holds a valid Certificate of Registration and Professional Identification Card (PIC) from the Professional Regulation Commission;
- j) **Professional skills** – refer to the various types of abilities required to apply professional knowledge, and professional values, ethics, and attitudes appropriately and effectively in a professional context;
- k) **Professional values, ethics, and attitudes** – refer to the professional behavior and characteristics that identify professional accountants as members of a profession. They include the principles of conduct (i.e., ethical principles) generally associated with and considered essential in defining the distinctive characteristics of professional behaviour;
- l) **Qualification** – refers to a status gained after a person has been assessed to have achieved learning outcomes or competencies in accordance with the standard specified for a qualification title, and is proven by a document issued by a recognized agency or body;
- m) **Self-Directed Learning** – refers to the learning activities such as on-line training, local/international seminars/non-degree courses, institution/company sponsored training programs, and the like which did not undergo CPD accreditation but may be applied for and awarded CPD units by the CPD Council;
- n) **Technical competence** – refers to the ability to apply professional knowledge to perform a role to a defined standard; and
- o) **Lifelong Learning** – refers to all learning activities undertaken throughout life for the development of competencies and qualifications of the professional.

Section 2. **Thematic Areas of CPD activities shall be changed to Competence Areas** - Thematic Areas of CPD activities shall be changed to Competence Areas in order to align with the International Education Standards. It shall be divided into three (3) major categories, viz: (a) Technical Competence, (b) Professional Skills, and (c) Professional Values, Ethics & Attitudes, and which shall include the following areas, with the corresponding required verifiable units starting 2017:

COMPETENCE AREA	Minimum Required Verifiable Units Starting 2017
<p><u>A .TECHNICAL COMPETENCE</u></p> <p>1. Standards Applicable to the Professional Practice which include but are not limited to the following:</p> <p>a. Current and recent issuance on the respective area of practice of the profession, e.g. those from the standard-setting bodies on:</p> <ul style="list-style-type: none"> • Financial Accounting and Reporting; • Assurance and Auditing; • Related practice statements and interpretations; and • Pronouncements related to Taxation, depending on the area of practice of the professional <p>b. IFAC Pronouncements issued through IFAC member bodies</p> <p>2. Laws, Rules and Regulations affecting Professional Practice which include but are not limited to:</p> <p>a. Issuances of government/regulating bodies, such as, but not limited to,</p> <ul style="list-style-type: none"> • Professional Regulation Commission and Board of Accountancy (which covers provisions of the Philippine Accountancy Act and its IRR, new resolutions and regulations issued by PRC and BOA, and other issuances pertaining to the registration, licensing and professional regulatory regimes); 	<p>30</p>

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<ul style="list-style-type: none"> • Securities and Exchange Commission, Bangko Sentral ng Pilipinas, Insurance Commission, Bureau of Internal Revenue, Cooperative Development Authority; • Commission on Higher Education and Department of Education; and • Commission on Audit, Department of Budget and Management, Civil Service Commission, for CPAs in government sector; <p>b. ASEAN and other international treaties affecting the practice of Filipino CPAs; and</p> <p>c. Other laws and regulations that govern different forms of legal entities.</p> <p>3. Environment of the Practice- which includes frameworks, models, best practices, benchmarks, information technology advances, tools and techniques espoused by professional and other organizations that affect the operations and management of clients and business entities of the professional.</p>	
<p>B. PROFESSIONAL SKILLS</p> <p>1. Professional development activities that enhance the CPA's intellectual, interpersonal, communication, personal and organizational skills, which include but are not limited to:</p> <ul style="list-style-type: none"> a. Oral and written communication; b. Presentation, negotiation and facilitation skills; c. Teamwork enhancement; d. Personality and social graces; e. Decision making, leadership, management and supervision; f. Conflict resolution, cultural immersion programs, language learning programs, time and resources management, work or process innovations and problem solving skills; and g. For CPAs in the education sector, teaching techniques and other education-related CPD learning activities. 	5
<p>2. <u>PROFESSIONAL VALUES, ETHICS AND ATTITUDES</u></p>	5

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 SERIES OF 2016
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 FROM SIXTY (60) TO ONE HUNDRED TWENTY (120) CREDIT UNITS WITHIN A COMPLIANCE PERIOD
 OF THREE (3) YEARS FOR ALL CERTIFIED PUBLIC ACCOUNTANTS (CPAs) AND
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<ul style="list-style-type: none"> a. Code of Ethics for Professional Accountants; b. Quality standards based on issuances of bodies affecting the professional practice; c. Governance principles and intervention; and d. Social responsibility, principles and interventions 	
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Section 3. **Required CPD Credit Units within a Compliance Period.** All CPAs, regardless of area/sector of practice, shall be required to comply with the one hundred twenty (120) CPD credit units within a compliance period of three (3) years, and which shall be implemented in phases as follows:

Year of Renewal	Required number of CPD Units	Minimum Units Under Required Competency Areas	Flexible CPD Units	Required Minimum Units Earned from the Previous Year(s) for License Renewal
2016	60	40	20	0
2017	80	40	40	0
2018	100	40	60	20 units earned from the immediately preceding year.
2019	120	40	80	20 units earned from each of the 2 immediately preceding years.

Section 4. **Joint PRC-PICPA CPD Committee.** The Joint PRC-PICPA CPD Committee (Joint Committee) is hereby organized to assist the PRC CPD Council of Accountancy in implementing the provisions of this Resolution, particularly in evaluating applications for self-directed or lifelong learning CPD activities. The Chairman and Co-Chair of the Joint Committee will be the Chairs of the PRC CPD Council of Accountancy and PICPA CPD Committee, respectively. PICPA and each of the sectoral organizations will each nominate not more than two (2) representatives to be members of the Joint Committee. The Joint Committee shall develop its terms of reference, subject to approval of the Board and the Commission.

Section 5. **Operational Guidelines.** The CPD Council of Accountancy shall formulate its Operational Guidelines for the implementation of CPD programs, subject to the approval of the Board and the Commission.

Section 6. **Repealing Clause.** Any rule and regulation or resolution or part/s thereof inconsistent with the provisions of this Resolution are hereby repealed or modified accordingly.

Section 7. **Effectivity.** This Resolution shall take effect fifteen (15) days after its full and complete publication in the Official Gazette or in a newspaper of general circulation in the Philippines.

Copy hereof shall be furnished the U. P. Law Center, PICPA, and other concerned professional associations for their guidance.

Done in the City of Manila, Philippines, this 7th day of November 2016.


JOEL L. TAN-TORRES
Chairman


GLORIA T. BAYSA
Vice-Chairman


GERARD B. SANVICTORES
Member


CONCORDIO S. QUISAOT
Member


SAMUEL B. PADILLA
Member


ELISEO A. AURELLADO
Member


ARLYN S. VILLANUEVA
Member

Attested to:


LOVELIKA T. BAUTISTA
OIC, Secretary to the Professional Regulatory Boards

DATE OF PUBLICATION IN THE
OFFICIAL (GAZETTE) : 1-7-17
DATE OF EFFECTIVITY: 1-22-17

APPROVED:

TEOFILO S. PILANDO, JR.
Chairman


ANGELINE T. CHUA CHIACO
Commissioner


YOLANDA D. REYES
Commissioner

Appendix A: MATRIX OF CPD ACTIVITIES

BASED ON PRC RESO. 2013-774 / 2016-990			BASED ON IES 7
PROGRAM / ACTIVITY	CREDIT UNITS	SUPPORTING DOCUMENT	
1. PROFESSIONAL TRACK (TRAINING OFFERED BY ACCREDITED CPD PROVIDERS, Face to Face / Online)			
1.1 As Participant	Approved Credit Unit for the Program	Certificate of Attendance w/ No. of Hours Seminar Program	(a) Participation in courses, conferences, and seminars
1.2 As Resource Speaker	3 CU per hour	Photocopy of certificate Copy of papers Program Invitation	(g) Participation as a speaker in conferences, briefing sessions, or discussion groups,
1.3 As Panelist/Reactor	2 CU per hour	Certification from sponsoring organization Copy of Program	
1.4 As Facilitator/Moderator	1 CU per hour	Certification from sponsoring organization Copy of Program	
1.5 CPD Monitor ,	Twice the number of approved credit units for the Program	Monitoring Report, Certificate of Appearance and the Authority to Monitor	
1.6 In-service Training / on-the-job training	Maximum of 20 CU for a 12-month period or a fraction thereof upon completion	Certificate of Training and Training Description	
2. ACADEMIC TRACK <i>(must be applied within 5 yrs after completion)</i>			
2.1 Master's Degree or equivalent	60 credit units for Compliance Period Upon Completion of Degree	University Certification / Diploma & Transcript of Records (authenticated copy)	(f) Formal study related to professional responsibilities
2.2 Doctorate Degree or equivalent	60 credit units for Compliance Period Upon Completion of Candidacy Additional 30 Credit Units for Compliance Period Upon Completion of Degree	University Certification / Diploma & Transcript of Records (authenticated copy)	
2.3 Bachelor of Laws	30 CU upon completion of degree 30 CU Additional upon passing the Bar exams	University Certification Diploma & Transcript of Records Certificate of Admission to the Philippine Bar	
2.4 Professional Certifications, such as CMA, CFA, CFE, CIA, CISA, etc.	10 CU per Professional Certification obtained from 2010 and subsequent years	Copy of Professional Certificate duly authenticated by certifying organization, such as IIA, ISACA, CIMA, etc.	(j) Professional re-examination or formal testing
2.5 Foreign Language Certifications – Verifiable, Input-based	10 CU for each Foreign Language Certification	Copy of Certificate of Completion and Proficiency from a duly recognized foreign language training institution	Nil
2.6 Professorial Chair	15 CU per year	Certification of grant or appointment paper	
2.7 Internship / Specialty / Sub-specialty Program	10 CU per year	Certification form Host Institution Certificate of Completion	
2.8 Fellowship Grant			
2.8.1 Participant	2 CU per grant	Certification from the granting institution and/or Certificate of Fellowship	
2.8.2 Resource Speaker	4 CU per grant		
2.8.3 Researcher	5 CU per grant		
2.9 Post-graduate Diploma/Certificate	Maximum of 30 CU for an 18-month period or a fraction thereof upon completion	Diploma / Certification from the Institution	

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3. SELF-DIRECTED (Training Offered by Non-Accredited CPD Providers, Face to Face / Online) AND/OR LIFE-LONG LEARNING				
3.1 As Participant	Credit Units for the Program As evaluated by the CPD Council		Certificate of Attendance w/ No. of Hours Seminar Program	
3.2 As Resource Speaker	3 CU per hour		Photocopy of certificate Copy of papers Program Invitation	
3.3 As Panelist/Reactor	2 CU per hour		Certification from sponsoring organization Copy of Program	
3.4 As Facilitator/Moderator	1 CU per hour		Certification from sponsoring organization Copy of Program	
3.5 In-service Training / On-the-job training	Maximum of 20 CU for a 12-month period or a fraction thereof upon completion		Certificate of Training and Training Description	
3.6 Program/Training Module Development	10 CU per complete set of module		Copy of module & evaluation (e) Developing or delivering a course or CPD session in an area related to professional responsibilities	
3.7 Technical Paper	5 CU per Technical Paper (for Published Paper, see 3.8)		Certification of Completion and Approval (for Published Paper, see 3.8) (h) Writing articles, papers, or books of a technical, professional or academic nature	
3.8 Article Published in a Refereed / Peer Reviewed Professional Journal				
3.8.1 Author/s	Local 10 CU	International 10 CU	Copy of Published Article and Table of Contents	
	For multiple authors, divide CU equally among them			
3.8.2 Peer Reviewer	2 CU per article			
3.9 Pamphlet / Book or Monograph				
3.9.1 Author/s	20 CU for single author for Pamphlet (less than 100 pages)	40 CU for single author for Book or Monograph (more than 100 pages)	Copy of Published Material with Proof of Copyright and Table of Contents	
	For multiple authors, divide CU equally among them			
3.9.2 Editor	Maximum of 20 CU			
3.10 Magazine/Newspaper Articles relevant to the topics in the Competence Areas	Maximum of 5 CU per Article, For multiple authors, divide CU equally among them		Proof of Publication of Article	
3.11 Study Tours / Visits	2 CU per day (max of 20 CU/tour)		Certification from sponsoring institution Nil	
3.12 Active Committee Membership in Financial Reporting Standards Council (FRSC), Assurance and Auditing Standards Council (AASC), Philippine Interpretation Committee (PIC), Continuing Professional Development (CPD) Committee (PICPA & Sectoral Organizations), Commission on Higher	2 CU per meeting attended up to a maximum of 24 CU per calendar year		Certification of Attendance and CPD compliance signed by the Secretary and duly noted by the Chairman of the respective Committee (d) Participation in and work on technical committees	

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Education (CHED) Technical Committee on Accountancy Education			
3.13 Consultancy (e.g. rendered to the Profession such as Citizen Participatory Audit, Government Bidding and Procurement Observers, Accreditors and other activities as per request of an institution, etc.	CU for other voluntary services subject to prior approval by the Joint CPD Committee	Subject to prior determination and approval by the Joint CPD Committee	
3.14 Socio-Civic Activities (e.g. Mentors in Go! Negosyo Mentor-Me program, Tax and Accounting Clinics, etc.)	3 Credit Unit per Hour	Project Proposal, Report and Photos	
3.15 Recognition/Title (e.g. Fellows, Hall of Fame Award, Outstanding Professional, Lifetime Achievement Awardee, etc.)	Full Credit Units for Compliance Period, subject to approval by the CPD Council	Copy of Certification from the Awarding Body (duly notarized)	
4. SUCH OTHER ACTIVITIES TO BE RECOMMENDED BY THE CPD COUNCIL AND APPROVED BY THE BOARD OF ACCOUNTANCY AND THE PROFESSIONAL REGULATION COMMISSION			

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