

## **PRACTICE DIRECTION NO. 2 OF 2010**

### **REVISED CONTINUING PROFESSIONAL EDUCATION SYLLABUS FOR REGISTRATION AS A PUBLIC ACCOUNTANT AND RENEWAL OF CERTIFICATE OF REGISTRATION**

1. This Practice Direction:
  - a. supercedes Practice Direction No. 2 of 2004: Continuing Professional Education Syllabus;
  - b. supercedes paragraphs 11 to 13 of Practice Direction No. 7 of 2007: Renewal of Certificate of Registration for Public Accountants and Reinstatement of Registration of Public Accountants; and
  - c. sets out the revised Continuing Professional Education (CPE) syllabus for registration as a public accountant and renewal of certificate of registration.

#### **Background**

2. All public accountants must undertake CPE in accordance with the CPE syllabus approved by the Public Accountants Oversight Committee (PAOC) for the purposes of registration as a public accountant and annual renewal of certificates of registration. These CPE requirements are set out in Paragraph 2 of the Third Schedule (on renewal) and paragraph 4(2) of the Second Schedule (on registration) to the Accountants (Public Accountants) Rules (the “Rules”).
3. In August 2004, the PAOC approved a syllabus under the Rules and published the syllabus on ACRA’s website.
4. The PAOC has now revised the CPE syllabus and the revisions are set out in this Practice Direction.
5. Additionally, the Rules have been amended so that the CPE requirements for renewal are now set over a rolling 3-year period instead of a 1-year period.

#### **Amendment to the CPE requirement period for registration and renewal of certificate of registration**

6. For renewal of certificate of registration as a public accountant, the amended Rules provide that a public accountant must acquire a total of 120 CPE hours over a rolling 3-year period (i.e. instead of a one-year period), provided that the public accountant still obtains a certain number of prescribed structured CPE hours each year. The new requirements, as set out in the amended Third Schedule to the Rules,

is that a public accountant must fulfill a total of 120 CPE hours in each rolling 3-year period of which:

- a. 90 hours must comprise structured learning; and
- b. a minimum of 20 hours of structured learning must be completed in each calendar year.

7. The number of CPE hours required for registration as a public accountant remains unchanged with at least 40 hours to be acquired during the period of 12 months immediately preceding the date of application.

### **Revised CPE Syllabus**

8. The PAOC has approved a new [CPE syllabus](#).

9. The new CPE Syllabus identifies 4 core expertise areas<sup>1</sup> that directly enhance a public accountant's technical knowledge and professional skills in the provision of public accountancy services. These 4 core expertise areas make up a significant part of the required structured learning hours. To fulfill the remaining structured learning hours, public accountants will be free to participate in any learning activities outside the core expertise areas which they consider to be relevant to their work as a public accountant.

10. The main changes to the CPE syllabus are as follows:

- (i) Revision of the current A1 (Financial and Statutory Reporting Standards, Accounting and Auditing Standards and Pronouncements) and A2 (Assurance) categories to form:
  - (New) **Category 1: Financial Reporting Standards and Pronouncements**; and
  - (New) **Category 3: Auditing Standards, Pronouncements and Methodology**.

All public accountants (except for those public accountants who are registered only for the purpose of becoming judicial managers and do not perform audits) are required to obtain, in each rolling 3-year period:

- At least 18 structured hours of learning in **Financial Reporting Standards and Pronouncements (Category 1)**; and

---

<sup>1</sup> Category 1: Financial Reporting Standards and Pronouncements, Category 2: Ethics and Professionalism, Category 3: Auditing Standards, Pronouncements and Methodology and Category 4: Insolvency and Restructuring.

- At least 18 structured hours of learning in **Auditing Standards, Pronouncements and Methodology (Category 3)**.

Public accountants who are registered only for the purpose of becoming judicial managers and do not perform audits are required to obtain, in each rolling 3-year period:

- A total of at least 30 structured hours of learning in **Financial Reporting Standards and Pronouncements (Category 1)** and **Insolvency and Restructuring (Category 4)** (see para 10(iii)); of which at least 9 structured hours are in Insolvency and Restructuring (Category 4).
- (ii) Making learning in **Ethics and Professionalism (Category 2)** a compulsory requirement and requiring all public accountants to obtain, in each rolling 3-year period, at least 9 structured hours of learning in Ethics and Professionalism (Category 2).
- (iii) Introduction of a new category on **Insolvency and Restructuring (Category 4)** and mandating Insolvency and Restructuring (Category 4) as a learning requirement for (a) those public accountants who are registered only for the purpose of becoming judicial managers and do not perform audits; and (b) those public accountants who are also approved liquidators.

Public accountants who are registered only for the purpose of becoming judicial managers<sup>2</sup> and do not perform audits are required to acquire at least 9 structured hours, in each rolling 3-year period, in Insolvency and Restructuring (Category 4).

Public accountants who are also approved liquidators are also required to acquire at least 9 structured hours, in each rolling 3-year period, in Insolvency and Restructuring (Category 4) to ensure they keep abreast of developments in this area of work. In assessing and approving the public accountant's application for renewal of the liquidators' approval, the Registrar would consider if the necessary learning in Insolvency and Restructuring (Category 4) has been acquired.

- (iv) In reporting CPE, public accountants need to classify each course they attend into either one of the 4 expertise areas i.e. Categories 1 to 4 or

---

<sup>2</sup> Section 227A(3)(a) of the Companies Act states that: "In any application for a judicial management order under subsection (1), the applicant shall nominate a person who is a public accountant, who is not the auditor of the company, to act as a judicial manager."

into “Other” non-core but relevant expertise area. For courses attended in the non-core expertise area i.e. the “Other” relevant expertise area, public accountants need to state, for CPE reporting, the relevance and objective of the courses attended to his function as a public accountant.

### **Amendment to CPE Requirements**

11. The main changes to the CPE requirements are as follows:

- (i) The minimum requirement for structured hours in core expertise areas (Categories 1 to 4) has been increased to 60 hours (over a rolling 3-year period). This applies to all public accountants (except for public accountants who are registered only for the purpose of becoming judicial managers and do not perform audits).
- (ii) For registration as a public accountant, the CPE to be acquired by the applicant shall consist of at least 40 hours in the period of 12 months immediately preceding the date of the application, of which at least 30 hours must be structured. Of the 30 structured hours, applicants for registration as public accountants (except for those who are applying to be registered as public accountants only for the purpose of becoming judicial managers and do not intend to perform audits) must acquire at least 20 hours<sup>3</sup> in core expertise areas as follows:
  - At least 6 structured hours in Financial Reporting Standards and Pronouncements (*Category 1*);
  - At least 3 structured hours in Ethics and Professionalism (*Category 2*); and
  - At least 6 structured hours in Auditing Standards, Pronouncements and Methodology (*Category 4*).

Of the 30 structured hours, applicants who are applying to be registered as public accountants only for the purpose of becoming judicial managers and do not perform audits, must acquire:

- A total of at least 10 structured hours in Financial Reporting Standards and Pronouncements (*Category 1*) and Insolvency and Restructuring (*Category 4*); and
- At least 3 structured hours in Ethics and Professionalism (*Category 2*).

---

<sup>3</sup> For renewal purpose, the requirement for Core Expertise is 60 hours over 3 years. For the purpose of registration over a 12-month period, the pro-rata requirement is thus 20 hours.

12. Please refer to Annex A and B which summarises the changes in the number of CPE hours required in each area for renewal of certificates of registration and registration as a public accountant respectively.

### **Implementation**

13. For the purpose of **registration** as a public accountant, all applicants who submit applications for registration **on or after 1 October 2011** must ensure that the CPE undertaken fulfils the requirements of the new CPE Syllabus.

14. For the purposes of **renewal** of certificates of registration, the new CPE Syllabus and the first rolling 3-year CPE period will apply **from 1 January 2011**. This means that a public accountant who applies to renew his or her certificate of registration for the calendar year beginning 1 January 2012 must ensure that the CPE undertaken to support their application (i.e. the CPE undertaken in 2011) complies with the new CPE syllabus. The CPE undertaken in 2011 will count towards the first rolling 3-year CPE period (from 1 January 2011 to 31 December 2013).

### **Legal Provisions**

15. The legal provisions relevant to and referred to in this Practice Direction are:

- (a) Sections 13 of the Accountants Act, Cap.2; and
- (b) Second Schedule and Third Schedule to the Accountants (Public Accountants) Rules, Cap.2, R 1.

## **Related Practice Directions**

16. A related Practice Direction is: [Practice Direction No. 7 of 2007: Renewal of Certificate of Registration for Public Accountants and Reinstatement of Registration of Public Accountants](#)<sup>4</sup>.

## **Further Clarification**

17. Further enquiries can be sent through [http://appiqs.acra.gov.sg/iqs/ask\\_acra.asp](http://appiqs.acra.gov.sg/iqs/ask_acra.asp).

Issued on 27 July 2010

### **Ms Juthika Ramanathan**

Chief Executive and Registrar of Public Accountants  
Accounting and Corporate Regulatory Authority (ACRA)  
SINGAPORE

---

<sup>4</sup> <http://www.acra.gov.sg/NR/rdonlyres/5ED88FA4-245D-413B-8AA7-4877860AE753/9787/PracticeDirectionNo7of2007.pdf>

**For Renewal of Certificate of Registration as a Public Accountant – CPE to be obtained over a three-year rolling period**

**Annex A**



