

## PRACTICE DIRECTION NO. 2 OF 2008

### CONDITION FOR RENEWAL OF CERTIFICATE OF REGISTRATION AS A PUBLIC ACCOUNTANT

1. This Practice Direction sets out the determination of the Public Accountants Oversight Committee (PAOC) under section 13(3)(c) of the Accountants Act Cap. 2 that outstanding fees, penalties and costs and expenses must be paid before the public accountant concerned is allowed to renew his or her certificate of registration as a public accountant.

#### Background

2. A public accountant is not entitled to have his certificate of registration renewed if he has failed to comply with the requirements set out in section 13(3) of the Accountants Act. The requirements that must be satisfied are compliance with the prescribed continuing professional education requirements, passing of the practice review and compliance with certain orders following the practice review and compliance with "*such other requirement as the Oversight Committee thinks relevant*".<sup>1</sup>

3. There are various fees, penalties and costs and expenses that are imposed under the Accountants Act (or under its predecessor Act). These include —

- (a) Fees for the conduct of practice monitoring programme under section 33(2)<sup>2</sup> of the Accountants Act (Cap. 2, 2005 Revised Edition), read with rule 4 and the First Schedule to the Accountants (Public Accountants) Rules;
- (b) Penalties imposed on the public accountant following disciplinary proceedings —
  - (i) by the PAOC under section 52(2)(d)<sup>3</sup> of the Accountants Act (Cap. 2, 2005 Revised Edition); and
  - (ii) by the former Public Accountants Board under section 34(2)(d)<sup>4</sup> of the repealed Accountants Act (Cap. 2, 2001 Revised Edition); and

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<sup>1</sup> Section 13(3) of the Accountants Act states:

"13.—(3) Unless the Oversight Committee determines otherwise, a public accountant shall not be entitled to have his certificate of registration renewed if he has failed —

- (a) to comply with the prescribed requirements relating to continuing professional education;
- (b) to pass any practice review under Part V or comply with any order or requirement under section 38 (1) (a); or
- (c) to satisfy such other requirement as the Oversight Committee thinks relevant."

<sup>2</sup> Under section 33(2) of the Accountants Act, the Oversight Committee may require a public accountant undergoing a practice monitoring programme to pay such fee as it may specify in connection with the administration of the programme.

<sup>3</sup> Under section 52(2) of the Accountants Act, upon receiving the report and recommendation of the Disciplinary Committee, the Oversight Committee may (amongst other things) impose on the public accountant a penalty not exceeding \$10,000.

<sup>4</sup> Under section 34(2) of the repealed Accountants Act, upon consideration of the report of an inquiry committee, the former Public Accountants Board could (amongst other things) impose on a public accountant a penalty not exceeding \$5,000.

- (c) Costs and expenses of and incidental to any disciplinary proceedings against the public accountant ordered to be paid —
  - (i) by the PAOC under section 52(3)<sup>5</sup> of the Accountants Act (Cap. 2, 2005 Revised Edition); and
  - (ii) by the Chairman of the former Public Accountants Board under section 33(3)<sup>6</sup> of the Accountants Act (Cap. 2, 2001 Revised Edition).

#### **New Requirement to be fulfilled before renewal**

4. The PAOC has determined under section 13(3)(c) of the Accountants Act that it is a requirement for a public accountant who wishes to renew his certificate of registration to **pay up in full** all amounts due and payable or outstanding to ACRA in respect the following fees, penalties, costs and expenses **before submission of any application** by a public accountant for renewal of his certificate of registration renewed:

- (a) Fees for the conduct of practice monitoring programme under section 33(2) of the Accountants Act, read with rule 4 and the First Schedule to the Accountants (Public Accountants) Rules;
- (b) Penalties imposed on the public accountant following disciplinary proceedings —
  - (i) by the PAOC under section 52(2)(d) of the Accountants Act (Cap. 2, 2005 Revised Edition); and
  - (ii) by the former Public Accountants Board under section 34(2)(d) of the repealed Accountants Act (Cap. 2, 2001 Revised Edition); and
- (c) Costs and expenses of and incidental to any disciplinary proceedings against the public accountant ordered to be paid —
  - (i) by the PAOC under section 52(3) of the Accountants Act (Cap. 2, 2005 Revised Edition); and
  - (ii) by the Chairman of the former Public Accountants Board under section 33(3) of the repealed Accountants Act (Cap. 2, 2001 Revised Edition).

5. It follows that an application by a public accountant for the renewal of his or her certificate of registration as a public accountant will not be approved if any of the fees, penalties, costs and expenses referred to in paragraph 5(a) to (c) are outstanding.

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<sup>5</sup> Under section 52(3) of the Accountants Act, the Oversight Committee may order the public accountant concerned to pay to the Authority such sums as it thinks fit in respect of costs and expenses of and incidental to any proceedings against him under Part VI of the Accountants Act relating to “Disciplinary Proceedings”.

<sup>6</sup> Under section 33(6) of the repealed Accountants Act, the Chairman of the former Public Accountants Board could be writing under his hand order the public accountant concerned to pay the Board such sums as he thought fit in respect of costs and expenses of and incidental to any hearing held by an Inquiry Committee appointed under section 31(1) of the repealed Accountants Act.

## Legal Provisions

6. The legal provisions relevant to and referred to in this Practice Direction are:
- (a) Sections 13, 33 and 52 of the Accountants Act Cap. 2, 2005 Revised Edition) ;
  - (b) Sections 33(3) and 34(3) of the repealed Accountants Act (Cap. 2, 2001 Revised Edition);
  - (c) Rule 4 of the Accountants (Public Accountants) Rules; and
  - (d) First Schedule to the Accountants (Public Accountants) Rules.

## Related Practice Directions

7. The related Practice Directions are:
- (a) [Practice Direction No. 7 of 2007: Renewal of Certificate of Registration for Public Accountants and Reinstatement of Registration of Public Accountants](#)<sup>7</sup>; and
  - (b) [Practice Direction No. 2 of 2004: Continuing Professional Education Syllabus](#)<sup>8</sup>.

## Further Clarification

8. 8. For further enquiries, please visit our interactive web service at <https://www.acra.gov.sg/enquiry/> or you may contact ACRA's Helpdesk at 6248 6028.

Issued on 5 September 2008

### Ms Juthika Ramanathan

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

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<sup>7</sup> <https://www.acra.gov.sg/docs/default-source/default-document-library/training-and-resources/publications/practice-directions/2007/PracticeDirectionNo7of2007.pdf>

<sup>8</sup> <https://www.acra.gov.sg/docs/default-source/default-document-library/training-and-resources/publications/practice-directions/2004/PracticeDirectionNo2of2004.pdf>