

PRACTICE DIRECTION NO. 2 OF 2015

PROFESSIONAL ACCOUNTANCY EXPERIENCE REQUIRED BEFORE ACQUIRING QUALIFYING AUDIT EXPERIENCE FOR REGISTRATION AS A PUBLIC ACCOUNTANT

Aim

1. This practice direction sets out the extent of professional accountancy experience an applicant must have before he or she can start acquiring the 2,500 hours of Qualifying Audit Experience (QAE) that is required for registering as a public accountant under the Accountants Act 2004.

Legislation

2. Under paragraph 3(2)(b) of the Second Schedule to the Accountants (Public Accountants) Rules (the Rules), the 2,500 hours of QAE acquired by an applicant must satisfy the following condition:

“All of the qualifying audit experience (other than foreign qualifying audit experience):

- (i) in a case where the applicant is a member of the Institute of Singapore Chartered Accountants (ISCA) before the applicant starts to acquire the qualifying audit experience —
 - (A) is acquired while the applicant is a full member of the ISCA; or*
 - (B) is acquired only after the applicant has satisfied the requirements as to the practical experience¹ that are set out in ISCA’s membership rules for qualifying as a Chartered Accountant of Singapore;**
- (ii) in a case where the applicant is not a member of the ISCA before the applicant starts to acquire the qualifying audit experience, is acquired only after the applicant has acquired the practical experience¹ which the Public Accountants Oversight Committee (PAOC) has determined to be equivalent to the requirements as to practical experience¹ that are as set out in ISCA’s membership rules for qualifying as a Chartered Accountant of Singapore.”*

3. The intent of the requirement is to ensure that the 2,500 hours of QAE is acquired at a sufficiently senior level and that the requirement applies equitably across applicants who may have different qualifications and professional accountancy memberships immediately before he or she starts to acquire the QAE.

¹ For clarity, ‘practical experience’ is referred to as ‘professional accountancy experience’ in this Practice Direction.

Applicants who, at the Point of Acquiring QAE, are (a) Full ISCA Members or (b) Associate Members of ISCA who have Met the Professional Accountancy Experience Requirements to Qualify as a Chartered Accountant of Singapore

4. An applicant may start acquiring the QAE after:
 - (i) he or she becomes a full member² of ISCA; or
 - (ii) he or she has met the professional accountancy experience requirements to qualify as a Chartered Accountant of Singapore but has yet to be conferred the title of a Chartered Accountant of Singapore.

5. The professional accountancy experience requirements to qualify as a Chartered Accountant of Singapore, as set out in ISCA's membership rules are either:
 - (i) 3 years of post-qualification experience; or
 - (ii) 5 years of pre and post-qualification experience, of which one year should be post-qualification experience.

6. "Pre-qualification" and "Post-qualification" experience refers to experience gained before and after passing the final examination in accountancy of a recognised academic or professional qualification³ referred to in ISCA's membership rules, respectively. This experience may be gained in any sector or industry as long as the job scope includes accounting and/or finance functions. However, to ensure relevant and sufficient seniority of the QAE acquired, it would be reasonably expected that the applicant would have gained some of his or her professional accountancy experience in performing audit work before progressing to acquire his or her QAE in an audit management, audit quality review or audit technical role.

Applicants who, at the Point of Acquiring QAE, are not ISCA Members

7. Applicants who are:
 - (i) accountancy degree graduates who have yet to apply to be a full member of ISCA; or
 - (ii) members of professional accountancy bodies other than ISCA may start acquiring their QAE after gaining professional accountancy experience which the PAOC determines to be equivalent to the experience required to qualify as a Chartered Accountant of Singapore.

8. For the purposes of paragraph 7, the PAOC has determined the following to be the equivalent extent of professional accountancy experience:
 - (i) 3 years of professional accountancy experience gained after obtaining an accountancy degree; or
 - (ii) 3 years of professional accountancy experience gained after passing the final examination in accountancy of a recognised professional examination⁴; or
 - (iii) 5 years of professional accountancy experience gained before or after passing the final examination in accountancy of a recognised professional examination⁴, of which at least one year must be gained after passing the final examination.

² Please visit ISCA's website at www.isca.org.sg for further details on the requirements to be a full ISCA member.

³ Please visit ISCA's website at www.isca.org.sg for further details on the recognised academic and professional qualifications.

⁴ The 'recognised professional examinations' are as set out in paragraph 2 of the Second Schedule to the Accountants (Public Accountants) Rules.

Commencement Date of Practice Direction

9. This practice direction is effective from 1 February 2015.

Legal Provision

10. The legal provision relevant to and referred to in this Practice Direction is the Second Schedule to the Accountants (Public Accountants) Rules.

Further Clarification

11. Further enquiries can be sent through <https://www.acra.gov.sg/enquiry/>.

Issued on 30 January 2015

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Updated as of 1 July 2023.