

## PRACTICE DIRECTION NO. 1 OF 2021

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

#### Aim

1. This practice direction sets out the revised Continuing Professional Education (CPE) syllabus and requirements for registration as a public accountant which will apply to applications for registration submitted on or after 1 January 2023, and renewal of certificate of registration for 2023.

#### 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 renewal of certificate of registration. The CPE requirements are set out in paragraph 1 of the Third Schedule (on renewal) and paragraph 4 of the Second Schedule (on registration) to the Accountants (Public Accountants) Rules.

#### Changes to CPE Syllabus and Requirements

3. Following a review of the current CPE syllabus and requirements, the PAOC has approved two changes for the renewal of certificate of registration as a public accountant as follows:

- (a) To include a new core expertise area: **Information Technology (IT) (Category 5)** and require all public accountants to obtain, in each rolling 3-year period, at least 9 structured hours in this category.

Technology is increasingly representing a significant component of audit effort which has an impact on the conduct of audits. This is therefore in recognition of the need for public accountants to upskill their digital competencies, in addition to competencies in technical standards under the current four core expertise areas. This is also to encourage public accountants to adopt technology and innovation in their audits to improve audit effectiveness and efficiency. Some examples include the use of data analytics to derive insights for in-depth understanding of the client's business operations, improve risk assessment or to identify anomalies and perform testing; and the use of audit automation tools for casting a full set of financial statements or managing the confirmation process, thereby reducing the associated manual work.

- (b) To reduce the minimum structured hours required over a rolling 3-year period in **Ethics and Professionalism (Category 2)** from 9 hours to 6 hours.

The reduction in the mandatory hours in Category 2 serves to provide public accountants with some flexibility in deciding on the proportion of time to be spent on the core expertise areas based on their individual learning needs. It will also align with the CPE requirements issued by the Institute of Singapore Chartered Accountants (ISCA) for its members, which include public accountants, to acquire 6 verifiable hours of ethics (i.e. Category 2) over a rolling three-year period.

4. Consequential changes based on the equivalent hours over a one-year period will be made to the CPE requirements for registration as a public accountant. Please refer to the [revised CPE syllabus](#). The changes in the number of CPE hours required in each core expertise area for the renewal of certificate of registration and registration as a public accountant are summarised in [Annex A](#) and [Annex B](#) respectively.

5. For purposes of meeting the CPE requirement in Category 5, public accountants could consider courses such as Robotic Process Automation, Data Analytics, Data Interpretation and Visualisation, Business Analytics and Reporting, Blockchain and Artificial Intelligence. Please take note that the time spent on attending IT product demonstration and reviewing digital solutions will not be counted as structured learning activities, as such activities do not have a clear set of learning objectives that directly enhance a public accountant's technical knowledge and professional skills in the provision of public accountancy services.

6. ACRA would like to emphasise the importance for public accountants to continually upgrade their professional knowledge and skills to stay relevant and maintain the highest standards of professional competence and expertise. In acquiring the minimum CPE hours required for Category 1 and Category 3 on financial reporting and auditing, public accountants should attend courses on new accounting and auditing standards in order to stay current and relevant.

## Implementation

7. The revised CPE requirements will apply as follows:

- (a) for **renewal** of certificate of registration for 2023:
  - (i) the first rolling 3-year CPE period for the new Category 5 on IT will be from 1 January 2022 to 31 December 2024. This means that for the renewal of certificate of registration for 2025, public accountants must have acquired at least 9 hours in Category 5 over the rolling 3-year CPE period from 1 January 2022 to 31 December 2024; and
  - (ii) the requirement of 6 hours in Category 2 on Ethics will apply to the rolling 3-year period from 1 January 2020 to 31 December 2022. For the renewal of certificate of registration for 2022, the hours required for Category 2 for the rolling 3-year CPE period from 1 January 2019 to 31 December 2021 will remain at 9 hours; and
- (b) for application for **registration** as a public accountant received **on or after 1 January 2023**.

## Legal Provisions

8. The legal provisions relevant to this Practice Direction are:

- (a) Section 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 Direction**

9. This Practice Direction will replace [Practice Direction No. 2 of 2010: Revised Continuing Professional Education Syllabus for Registration as a Public Accountant and Renewal of Certificate of Registration](#) when it comes into effect from 2023.

## **Further Clarification**

10. If you need further clarifications, please submit your enquiries through <https://www.acra.gov.sg/enquiry/>.

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## **Ong Khiaw Hong**

Chief Executive and Registrar of Public Accountants  
Accounting and Corporate Regulatory Authority

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

<b>CURRENT REQUIREMENT/SYLLABUS:</b>	
<b>For ALL PAs, except for JM-PA<sup>1</sup></b>	<b>For JM-PA</b>
<b>Core Expertise = At least 60 hours, of which</b>	<b>Core Expertise = At least 45 hours, of which</b>
Category (Cat) 1: Financial Reporting Standards and Pronouncements (At least 18 hours)	Cat 1 + Cat 4, at least 30 hours, of which at least 9 hours must be in Cat 4
Cat 2: Ethics and Professionalism (At least 9 hours)	Cat 2 (At least 9 hours)
Cat 3: Auditing Standards, Pronouncements and Methodology (At least 18 hours)	
Cat 4: Insolvency and Restructuring (At least 9 hours) – applicable for PAs who are also approved liquidators	
<b>Remaining 30 (or 45 for JM-PA) structured hours can be in Other Relevant Expertise</b>	
<b>Total Structured CPE = At least 90 hours</b>	
<b>Total CPE hours = At least 120 hours</b>	

<b>REVISED REQUIREMENT/SYLLABUS:</b>	
<b>For ALL PAs, except for JM-PA</b>	<b>For JM-PA<sup>2</sup></b>
<b>Core Expertise = At least 60 hours, of which</b>	<b>Core Expertise = At least 45 hours, of which</b>
Category (Cat) 1: Financial Reporting Standards and Pronouncements (At least 18 hours)	Cat 1 + Cat 4, at least 30 hours, of which at least 9 hours must be in Cat 4
Cat 2: Ethics and Professionalism (At least 6 hours) <sup>REVISED</sup>	Cat 2 (At least 6 hours) <sup>REVISED</sup>
Cat 3: Auditing Standards, Pronouncements and Methodology (At least 18 hours)	
Cat 4: Insolvency and Restructuring (At least 9 hours) – applicable for PAs who are also approved liquidators	
Cat 5: Information Technology (At least 9 hours) <sup>NEW</sup>	Cat 5 (At least 9 hours) <sup>NEW</sup>
<b>Remaining 30 (or 45 for JM-PA) structured hours can be in Other Relevant Expertise</b>	
<b>Total Structured CPE = At least 90 hours</b>	
<b>Total CPE hours = At least 120 hours</b>	

<sup>1</sup> PAs registered only for the purpose of becoming judicial managers and do not perform audits.

<sup>2</sup> With the implementation of the Insolvency, Restructuring and Dissolution Act 2018 (IRDA) in July 2020, ACRA has ceased to register JM-PAs. Individuals undertaking post-IRDA JM work are required to register as Insolvency Practitioners with the Ministry of Law. Only JM-PAs with ongoing pre-IRDA work will be allowed to renew their registration as a public accountant (subject to meeting the renewal requirements) until the completion of these cases.

**For Registration as a Public Accountant (PA) – CPE to be obtained in the period of 12 months immediately preceding the date of application**

<b>CURRENT REQUIREMENT/SYLLABUS:</b>
<b>For ALL PAs, except for JM-PA<sup>1</sup></b>
<b>Core Expertise = At least 20 hours, of which</b>
Category (Cat) 1: Financial Reporting Standards and Pronouncements (At least 6 hours)
Cat 2: Ethics and Professionalism (At least 3 hours)
Cat 3: Auditing Standards, Pronouncements and Methodology (At least 6 hours)
<b>Remaining 10 structured hours can be in Other Relevant Expertise</b>
<b>Total Structured CPE = At least 30 hours</b>
<b>Total CPE hours = 40 CPE hours</b>

<b>REVISED REQUIREMENT/SYLLABUS:</b>
<b>For ALL PAs</b>
<b>Core Expertise = At least 20 hours, of which</b>
Category (Cat) 1: Financial Reporting Standards and Pronouncements (At least 6 hours)
Cat 2: Ethics and Professionalism (At least 2 hours) <sup>REVISED</sup>
Cat 3: Auditing Standards, Pronouncements and Methodology (At least 6 hours)
Cat 5: Information Technology (At least 3 hours) <sup>NEW</sup>
<b>Remaining 10 structured hours can be in Other Relevant Expertise</b>
<b>Total Structured CPE = At least 30 hours</b>
<b>Total CPE hours = 40 CPE hours</b>