Regulations on Continuing Professional Development for Chinese CPAs

(Released by CICPA on September 13, 2006)

Chapter I  General Provisions

Article 1  For the purpose of ensuring and improving the professional quality, abilities and ethics of certified public accountants (hereinafter referred to as CPAs), strengthening the talent development of the accountancy profession, and nurturing a pool of CPAs that can meet the demand of China’s economy and capital market as well as the need of the modern corporate system, the regulations are formulated, in accordance with the Law of the People’s Republic of China on CPAs and CICPA Guiding Opinions on Reinforcing Cultivation of Professional Talents.

Article 2  CPAs shall have the right of continuing professional development. No person or organization shall, for any reason, restrict or deprive the right of CPAs to participate in continuing professional development.

Continuing professional development shall be a part of the professional development of CPA and CPAs shall undertake continuing professional development according to the requirements of the Regulations.

Chapter II  Forms of Continuing Professional Development and Hour Requirements

Article 3  The CPAs can participate in organized forms and other forms of continuing professional development.

Article 4  Organized forms of continuing professional development include:

1. Various types of training seminars, professional forums, workshops, and academic reports. held by the Chinese Institute of CPAs (hereinafter referred to as CICPA), local institutes of CPAs in provinces, autonomous regions and municipalities (hereinafter referred to as local institutes), or specialized training institutions entrusted by CICPA or local institutes;

2. Internal training programs of accounting firms (hereinafter referred to as “firms”) approved by local institutes;

3. Training programs by CICPA or local institutes through remote education system;

4. Other ways accepted by CICPA or local institutes.

Article 5  Other forms of continuing professional development include:

1. Publishing professional books or papers;
2. Acting as a teacher, conference host or speaker in continuing professional development programs held by CICPA, local institutes or entrusted institutions;

3. Participating in the practicing quality review;

4. Conducting professional research organized by academic, industrial and government organizations and achieving research results;

5. Participating in continuing professional development programs organized by overseas professional accounting bodies during the internship at overseas accounting firms;

6. Receiving on-the-job degree education in accountancy-related fields;

7. Participating in professional forums or seminars held by CICPA or local institutes;

8. Other forms accepted by CICPA or local institutes.

**Article 6**  
The assessment cycle for continuing professional development is every two years, from January 1 of the first year to December 31 of the following year. In every cycle CPAs should attend training of no less than 80 hours, with no less than 30 hours for each of the years.

CPAs should attend no less than 4 hours of ethics-related training in one cycle.

Extra hours above the required number of 80 received during one cycle shall not be carried over to the next cycle.

**Article 7**  
“One training hour” shall be at least 45 minutes long when CPAs attend any of the training activities listed in Article 4 and shall be calculated in accordance with actual attendance.

**Article 8**  
The following standards shall apply when CPAs attend the training activities listed in Article 5:

1. Each day of participation in CICPA’s or local institutes’ practicing quality review can be converted as one training hour, with 30 hours as the maximum level of conversion for each year;

2. One hour of acting as a teacher, conference host or speaker in continuing professional development programs can be converted to 3 training hours, with 20 training hours as the maximum level of conversion for each year;

3. Publishing each professional book or conducting each professional research project can be converted as 15 training hours, with 15 hours as the maximum level of conversion for each year;

4. Each professional paper published can be converted to 5 training hours, with 15 hours as the maximum level of conversion for each year;

5. Participation in continuing professional development organized by foreign professional accounting bodies is counted according to the actual hours and no more than 40 hours are
allowed to be counted for each year;

6. Attendance of on-the-job degree education in accountancy-related fields can be counted as 30 training hours;

7. When participating in a professional forum or seminar held by CICPA or local institutes, each half day can be counted as 4 hours, with a maximum of 20 hours can be counted in this way for each year.

For each cycle, a maximum of 60 hours can be accumulated in the forms described in Article 5 for each cycle.

Other forms of training not mentioned in the Regulations are subject to the recognition by CICPA or local institutes. If the training is recognized by local institutes, local institutes shall report the forms and hours of the training to CICPA for record keeping purposes.

Article 9 If CPAs attend the continuing professional development listed in Article 5, they shall fill in the application form regarding the confirmation of the training hours and submit it, along with other related materials to local institutes.

Article 10 CPAs who do not complete the continuing professional development as required by the Regulations in a given year can make a written application to local institutes for approval of absence from the training in any of the circumstances listed below. However, this shall not affect the rolling annual continuing professional development cycle.

1. Stay abroad for more than six months;

2. Maternity leave;

3. Unable to perform normal work due to illness for more than six months;

4. Newly registered after July 1;

5. Other circumstances approved by local institutes.

If CPAs are allowed to be exempted from the training in the first year of the continuing professional development cycle as listed in the above circumstances, they must attend no less than 40 hours in the second year. If the exemption is given in the second year of a given cycle, they must complete the required training in the next cycle in accordance with the Regulations.

Chapter III Continuing Professional Development Training Institutions

Article 11 CICPA and local institutes can hold continuing professional development training programs.

Article 12 CICPA and local institutes can entrust specialized training institutions to hold continuing professional development training programs.
In accordance with the Regulations and the planning and requirements of CICPA and local institutes, entrusted training institutions should design reasonable training contents, choose scientific and applicable training methods, invite highly qualified teachers, and report the training details to CICPA or local institutes.

Entrusted training institutions shall provide certificates to CPAs who qualify the training, and properly keep the related data for at least five years.

**Article 13** If accounting firms or their branches meet the conditions listed below, they can submit applications for internal training qualifications to local institutes at the beginning of the year at the start of a continuing professional development cycle.

1. Have at least 50 CPAs;
2. Have a sound system of internal training and scientific training plan;
3. Capable of providing the requirements of training resources such as teachers, venues and facilities;
4. Other conditions required by local institutes.

Training hours undertaken at qualified accounting firms or branches approved by local institutes will be recognized.

The measures of the assessment and administration of internal training qualifications of accounting firms or branches should be formulated by local institutes on basis of the Regulations and reported to CICPA for record keeping purposes.

**Article 14** If trans-provincial accounting firms have the above qualification, local institutes where the firms' branches are based may, considering the conditions of the region, examine and assess the training quality of the headquarters and decide whether to recognize the continuing professional development hours the branches' CPAs receive at their headquarters. Local institutes may also make specific provisions for the recognition procedure and requirements.

CPAs from branches who attend training at headquarters and hope to confirm the training hours shall submit written applications and relevant verification documents, such as the proof issued or recognized in writing by local institutes, proof of internal training qualification of headquarters, details of teachers and contents.

**Chapter IV  Confirmation and Assessment Of Continuing Professional Development Hours**

**Article 15** Local institutes are responsible for confirming, registering and reviewing local CPAs’ participation in continuing professional development.

Local institutes should publicly disclose CPAs who do not complete required continuing professional development hours and are not subject to circumstances as stipulated in Article 10. Local institutes should
set deadlines for them to participate in mandatory training.

**Article 16** CPAs must complete a continuing professional development program by passing the tests or assessments required by the programs. If CPAs fail the tests or assessments, their training hours cannot be recognized and they will not be given completion certificates. Furthermore, their accounting firms will be informed of the outcome.

**Article 17** CPAs who pass the continuing professional development programs should keep the certificate documents and relevant materials for at least 3 years and provide them to local institutes for inspections or spot checks.

**Article 18** In case of the transfer of a CPA, the destination institute should accept the training hours confirmed and recognized by the local institute where the CPA is transferred from.

**Chapter V Supplementary Provisions**

**Article 19** The Regulations take effect from January 1, 2007 and the Trial Regulations on Continuing Professional Development Training, issued on January 16, 1996, is simultaneously repealed.
**Attached Sheet 1**

**Application Form For Continuing Professional Development Hours for Chinese CPAs**

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<thead>
<tr>
<th>Name</th>
<th>Gender</th>
<th>CPA Certificate Number</th>
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<th>Accounting firm</th>
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<td>The number of hours to be confirmed</td>
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<th>Forms of continuing professional education</th>
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<tr>
<td>Statement regarding participation in continuing professional development (additional pages may be attached)</td>
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<tr>
<th>The applicant:</th>
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<td>(Date)</td>
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<tr>
<th>The Accounting Firm’s Opinion</th>
<th>The Local Institute’s Opinion</th>
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**Notes:**

1. In this application, the training hours confirmed by the local institute can be counted into the continuing professional development hours of the year.

2. The forms of continuing professional development include:
   - Completing and publishing professional books, professional papers, or professional research;
   - Acting as a teacher, conference host or speaker;
   - Participating in a practicing quality review;
   - Participating in continuing professional development organized by foreign professional accounting bodies;
   - Attending on-the-job degree education;
   - Participating in professional forums or seminars;
   - Others.

3. Please submit all the relevant documents along with this application.
# Attached Sheet 2

## Proof of Continuing Professional Development Hours for CPAs

<table>
<thead>
<tr>
<th>Name of the preceding accounting firm</th>
<th>CPA Certificate Number</th>
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<td>Name of the new accounting firm</td>
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The following information is filled in by the preceding local institute:

<table>
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<tr>
<th>The number of continuing professional development hours completed this year</th>
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<tr>
<td>The number of continuing professional development hours completed in this cycle</td>
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</table>

This is to certify that.

(Seal of preceding local institute)  
(Date)

### Notes:
1. This proof is filled in when a CPA transfers to another province;
2. The new local institute should confirm the CAP’s continuing professional development hours according to this proof;
3. This proof is filled out in triplicate and will be distributed to the new local institute, the preceding local institute and the CPA himself or herself.

(CICPA organized translation of the Regulations into English. The Chinese version is the official one and this English translation is for reference only.)