

Supplementary Provisions to the Regulations on Continuing Professional Development for Chinese CPAs

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In order to further implement *CICPA Guiding Opinions on Reinforcing Cultivation of Professional Talents* and to improve the quality of continuing professional development (hereinafter referred to as CPD) for Chinese CPAs, the Chinese Institute of Certified Public Accountants (hereinafter referred to as CICPA) publishes *Supplementary Provisions to the Regulations on Continuing Professional Development for Chinese CPAs* (the Regulations) (hereinafter referred to as Supplementary Provisions to the Regulations)" on the basis of the conditions of the accountancy profession in respect of such training.

1. In order to bring the role of accounting firms in CPD into full play, an accounting firm which conforms to Article 13 of the Regulations, can conduct internal training and its number of hours should be confirmed as CPD hours in line with the Regulations.

The qualification of internal training should, in principle, meet the requirements in line with Article 13 of the Regulations. Local institutes of CPAs in provinces, autonomous regions or municipalities (hereinafter referred to as local institutes) can make appropriate reduction of the required number of CPAs according to actual conditions, as long as the quality of training is guaranteed. However, the minimum number of CPAs is 30.

Local institutes should establish sound qualification review rules and evaluation procedures for confirming the internal training qualifications of accounting firms. In order to guarantee the quality of accounting firms' internal training, local institutes should perform regular assessments and peer reviews of teaching resources, training conditions and quality, while evaluating the requirements on number and size of accounting firms.

The list of accounting firms recognized by local institutes should be reported to CICPA for the purposes of timely record keeping.

2. In order to widen the access and improve the effectiveness of training, local institutes can organize video on-demand (VOD) training on a trial basis in accordance with local conditions, and formulate and improve related rules of managing such training activities.

On the basis of ensuring the quality of training and learning effects, local institutes can confirm hours of VOD training. CPD hours of VOD training are converted in line with Other Forms in Article 5 of the Regulations. No more than 32 CPD hours can be obtained for each training cycle.

In order to check the effectiveness of training, CPAs who only take VOD training during a particular year should take unified exams organized by local institutes. CPAs who fail the exams must take part in face-to-face training.

Depending on the size and internal management conditions of an accounting firm, a certain percentage of CPAs must take part in face-to-face training. Furthermore, top managers of the firm must take part in a certain amount of face-to-face training.

3. CPAs of branches of an accounting firm who take part in training held at headquarters should report to local institutes in advance. After the training is completed, they should obtain related credible documents and report to local institutes for confirmation and record keeping purposes when applying for confirmation of CPD hours.

4. According to Article 10 of the Regulations, CPAs who have not completed the CPD may submit a written application to local institutes for approval of absence in specific circumstances. Once approved by local institutes, CPAs are exempted from completing the CPD for that year.

New CPAs registered in the first half of the second year of the training cycle should undertake at least 30 hours of CPD training in the first registered year.

5. Taking the training required by the Regulations is necessary for CPAs to maintain their practice level, professional ethics and professional competence. It is also the basic right and duty of members of CICPA. Local institutes should strictly implement the requirements of the Regulations, and should not recognize the CPD hours for CPAs who fail to meet the standards of related rules or the requirements for managing such trainings.

6. Local institutes should publicly announce those CPAs who neither complete the necessary CPD nor conform to Article 10 of the Regulations. Local institutes should set deadlines for these CPAs to participate in mandatory training.

7. Local institutes should enhance training management methods, make full use of the management information system of the profession, upload complete information on training projects in a timely manner, and confirm and record the status of CPAs' completion of CPD.

8. Accounting firms should establish internal training rules, increase investment in training, respect and protect the right of CPAs to receive CPD training, urge CPAs to finish the CPD, and take account of the CPD situation in the staff performance evaluation system. Accounting firms should also report related documents, including the establishment and implementation of the previous year's internal training rules, as well as the previous year's training budget and its implementation via the management information system of the profession before March 31 each year.

9. The Supplementary Provisions shall take effect on the date of publication.

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