

Measures of Registration of Non-Practicing Members

(Released by CICPA on September 11, 2009)

Chapter I General Provisions

Article 1 For the purpose of well managing non-practicing members of the Chinese Institute of Certified Public Accountants (hereinafter referred to as CICPA) and strengthening the service and supervision of non-practicing members, the Measures are formulated in accordance with *Charter of the Chinese Institute of Certified Public Accountants*.

Article 2 CICPA is responsible for formulating related managerial regulations for non-practicing members, guiding institutes of certified public accountants at the level of provinces, autonomous regions, municipalities directly under the Central Government and Shenzhen Institute of Certified Public Accountants (hereinafter referred to as the local institutes) for management of non-practicing members. The local institutes are responsible for management of non-practicing members in their own regions.

Chapter II Registration

Article 3 People can apply to become non-practicing members if:

(1) They have obtained Certificate of National Uniform CPA Examination no more than 5 years prior to the application;

(2) Their practice has been suspended, or the registration as a practicing member has been revoked or cancelled no more than 5 years prior to the application;

(3) They pass related examinations if their Certificates of National Uniform CPA Examination has been obtained more than 5 years prior to the application, or the practice has been suspended, or the registration as a practicing member has been revoked or cancelled more than 5 years prior to the application.

Article 4 Application Procedures

(1) Applicants should apply to local institutes, and complete the "CICPA Non-practicing Member Registration Form" (see Annex 1) accurately, truthfully and completely.

(2) Local institutes should decide whether to approve the application within 20 working days from the date of receiving the application.

For approved applicants, local institutes should report the information in "CICPA

Non-practicing Member Registration Form” through the online professional management information system, and report the “CICPA Non-practicing Members Summary” (hereinafter referred to as the “Summary”, see Annex 2) to CICPA for review. For those applications that are not approved, local institutes should disclose the reasons to the applicants.

(3) CICPA should review the qualification of applicants within 10 working days upon its receipt of the Summary, confirm the qualified applicants in the management information system, and announce these applicants on the websites of Accountant & CPA of China, CICPA and local institutes. For those who do not pass the review, CICPA should notify relevant local institutes of revocation.

For those who pass the CICPA’s review, local institutes should issue certificates of CICPA non-practicing membership (hereinafter referred to as the “membership certificates”) printed by CICPA.

Article 5 Local institutes should not grant registration under any of the following circumstances:

(1) where an applicant does not have full civil capacity;

(2) where an applicant is subject to criminal penalties and the completion date of the penalties to the date of membership application is less than 5 years;

(3) where an applicant is penalized above the level of administrative penalty or dismissal from office due to serious mistakes made in financial, accounting, auditing and enterprise management or other economic activities, the date of penalty or sanction being made is less than 2 years prior to the application of the membership.;

(4) where a CPA certificate has been revoked and the date of revocation is less than 5 years prior to the membership application;

(5) where a non-practicing membership has been cancelled or an applicant was persuaded to withdraw from membership by the CICPA Council under the circumstances mentioned in Article 10 (4) and (5) herein, and the date of relevant decision made less than 3 years prior to the membership application;

(6) where an applicant was expelled by the Council of CICPA or a local institute.

Article 6 Upon approval of non-practicing members’ application for registration as CPAs, local institutes should cancel their registration as non-practicing members.

Chapter III Transfer, Withdrawal and Expulsion

Article 7 Non-practicing members could apply for transfer if there are cross-provincial changes in their places due to job reassignment. The detailed procedures are as following:

(1) The applicant should apply to the local institute where his or her membership resides and fills in the "CICPA Non-practicing Members Transfer Form" (hereinafter referred to as "Transfer Form", see Annex 3);

(2) The local institutes where the applicant's membership resides should express its opinions in the Transfer Forms within 10 working days upon receipt of the application, including payment of membership fee, participation in continuing professional development and the annual inspection of membership of the year;

(3) The local institute where the membership will be transferred to should contact the applicant within 5 working days to complete the relevant procedures upon receipt of the Transfer Form signed by the local institute that transfers out the membership.

Article 8 Non-practicing members can apply to withdraw the membership in accordance with the following procedures:

(1) Applicants should submit applications for membership withdrawal to local institutes, and hand over their non-practicing membership certificates;

(2) Local institutes approve the membership withdrawal and report to CICPA for record.

Article 9 Where non-practicing members fail to abide by the Charter of CICPA or the obligations stipulated in the charters of local institutes, the councils of relevant institutes could persuade them to withdraw membership or expel them from the institutes, and report to CICPA for record.

Article 10 Local institutes should revoke non-practicing memberships, take back the membership certificates and report to CICPA for record if the non-practicing members:

(1) Lose the complete capacity for civil conduct;

(2) Are subject to criminal penalty;

(3) Are subject to administrative penalty, dismissal from office or higher level of punishment due to serious mistakes made in financial, accounting, auditing and enterprise management or other economic activities;

(4) Provide false information on application of the membership;

(5) Seriously violate the Code of Ethics for Chinese CPAs;

(6) Do not pass annual reviews and voluntarily withdraw the membership.

Applicants, who have objections to the cancellation of their non-practicing membership, could appeal to CICPA within 20 working days upon receipt of the written notice of the cancellation. CICPA should review and reply within 30 working days from the date of receiving the appeal.

Chapter IV Annual Review

Article 11 Non-practicing members should accept annual review (hereinafter referred to as “annual review”) organized by local institutes. Newly approved non-practicing members are not required to accept the annual inspections of that year.

Annual review should be carried out within the period of June 1 through August 31.

Article 12 Contents of non-practicing members’ annual review are as following:

(1) participation in continuing professional development;

(2) payment of membership fee;

(3) whether there are circumstances mentioned in Article 10 herein.

Article 13 Non-practicing members could apply to local institutes for suspension of annual review under any of the following circumstances in which they could not entrust others to undertake annual review on their behalf.

(1) where the non-practicing members are staying abroad;

(2) where the non-practicing members are on maternity leave;

(3) where the non-practicing members are unable to participate in annual review due to illness;

(4) other circumstances accepted by local institutes.

The suspension period should not exceed 1 year.

Article 14 For non-practicing members who have passed the annual review, local institutes should stamp their membership certificates with the qualification seal.

Article 15 Non-practicing members cannot pass annual review if they do not complete the required continuing professional development, do not pay their membership fee, or have one of the circumstances described in Article 10.

Article 16 Non-practicing members will be considered as giving up their membership if they do not participate in annual review without a reason.

Article 17 Local institutes should publish the list of non-practicing members who have passed the annual review on the websites of Accountant & CPA of China, CICPA and local institutes and other related press.

Article 18 Non-practicing members with their review suspended should undertake annual review following the above procedures after their suspension issues have been resolved. The review results should be announced separately.

Chapter V Supplementary Provisions

Article 19 Applicants from Hong Kong S.A.R., Macau S.A.R., Taiwan and foreign jurisdictions who meet the provisions of the Measures can apply directly to CICPA and complete registration in accordance with the Measures.

Article 20 The Measures shall take effect from January 1, 2010. *Temporary Measures of CICPA for Management of Non-Practicing Members (No. 105 CICPA (1995))* and *Supplementary Explanation of CICPA on Transfer and Membership Withdrawal of CICPA's Non-Practicing Members (No. 303 CICPA (1995))*, issued in 1995 by CICPA, are simultaneously repealed.

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