

[REPUBLIC ACT NO. 5166, August 04, 1967]

THE ACCOUNTANCY ACT OF 1967.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

ARTICLE I.—Objectives and Implementation

SECTION 1. Objectives.—This Act provides for and shall govern:

- (a) The standardization and regulation of accounting education;
- (b) The examination for registration of certified public accountants; and
- (c) The supervision, control and regulation of the practice of accountancy in the Philippines.

SEC. 2. Implementation.—For the purpose of implementing the provisions of this Act, there are created the following:

- (a) Board of Accounting Education; and
- (b) Board of Accountancy.

ARTICLE II—The Board of Accounting Education-Its Functions

SEC. 3. Composition of the Board of Accounting Education.—The Board of Accounting Education shall be composed of the Secretary of Education or his duly authorized representative as Chairman, the Chairman of the Board of Accountancy, the President of the Philippine Institute of Certified Public Accountants, the President of the Philippine Association of Collegiate Schools of Business, and a representative of business and/or industry to be appointed by the President of the Philippines.

SEC. 4. Compensation and Traveling Expenses.—The Chairman and Members of the Board of Accounting Education shall not be entitled to any compensation except for traveling expenses in connection "with their official duties as herein provided. For administrative purposes the Board shall hold office in the office of the Chairman who may designate an official in the Department of Education to serve as secretary of the Board.

SEC. 5. Functions.—The functions of the Board of Accounting Education shall be as follows:

- (a) To determine and prescribe minimum requirements leading to the admission of candidates to the Certified Public Accountants' examinations;
- (b) To determine and prescribe prior employment or apprenticeship experience requirements or 'their substitution with equivalent practical training through

academic work;

(c) To determine and prescribe certification requirements of prospective candidates by the institutions of learning granting degree of Bachelor of Science in Commerce or its equivalent; and

(d) To promote, prescribe and enforce rules and regulations for the effective implementation of these functions.

SEC. 6. Collegiate Courses.—The Board of Accounting Education shall prescribe collegiate courses for the degree of Bachelor of Science in Commerce or its equivalent and leading to the admission to the Certified Public Accountants' examination: Provided, That such courses shall include the minimum units herein required for the following subjects:

Units	
Accounting and Auditing	36
Business Law	9
Taxation	6
English	15
Mathematics	9
Management	6

SEC. 7. Employment or Apprenticeship Experience Requirements.—The Board of Accounting Education shall prescribe such requirements for one-year employment or apprenticeship experience in accountancy or related field: Provided, however. That in lieu of such practical experience, two semesters covering twelve units of equivalent practical training through academic work may be substituted.

ARTICLE III.—The Board of Accountancy; Registration of Certified Public Accountants

SEC. 8. The Board of Accountancy, its Composition and Duties.—The Board of Accountancy shall be composed of a chairman and five members to be appointed by the President of the Philippines from a list of not less than fifteen names approved and submitted by the Board of Directors of the Philippine Institute of Certified Public Accountants, after due consultation with other accounting associations whose membership consists entirely of licensed Certified Public Accountants in the Philippines. The President of the Philippines shall fill any vacancy that may occur from the list of names submitted by the Philippine Institute of Certified Public Accountants in accordance with the provisions of this Act.

The Board of Accountancy shall conduct the examination to qualify Certified Public Accountants at least once in each calendar year in the City of Manila or its suburb, Cebu City and Davao City: Provided, However, That if conditions warrants the Board of Accountancy may upon previous approval of the Commissioner of Civil Service consider conducting examinations in other places.

The Board of Accountancy shall evaluate, grade, sign and submit the examination results to the Commissioner of Civil Service within one hundred eighty days from the date of the termination of the examinations.

The Secretary of the Board of Accountancy shall submit to the President of the Philippines for approval the names of the successful candidates as having been duly qualified for licensure with their corresponding grades. The Commissioner of Civil Service shall furnish the Board of Accounting Education with a report on the performance of all schools represented in the examination.

Subject to the approval of the President, the Board of Accountancy, after consultation with the Philippine Institute of Certified Public Accountants shall promulgate necessary rules and regulations, and set professional standards for the practice of accountancy. Such rules shall include security measures to protect the secrecy and integrity of the examinations.

SEC. 9. Qualifications of Examiners.—No person shall be appointed a member of the Board of Accountancy unless he (a) is a citizen of the Philippines, (b) is of good moral character, (c) is a duly registered Certified Public Accountant in the Philippines, (d) has been in the practice of accountancy for at least ten years, or has been in the government service for the same period of time in a position where the knowledge of accounting is required or used, and (e) is not directly or indirectly connected with any school, college or university granting degrees that may qualify graduates with such degrees for admission to the Certified Public Accountants, examination or Certified Public Accountants, Review School or Institute, nor shall have any pecuniary interest in such school, college, university or Certified Public Accountants, Review school or institute.

SEC. 10. Tenure of Office and Compensation of Members.—The chairman and members of the Board of Accountancy shall hold office for three years: Provided, That the first and second, third and fourth, and fifth members and the chairman appointed under this Act shall serve for one, two and three years respectively. Vacancies shall be filled by appointments for the unexpired term only. Each member shall receive as compensation five pesos for each candidate examined on subject or subjects with an equivalent weight of two units: Provided, That each member of the Board shall receive a per diem of twenty pesos for each meeting actually attended in the course of any administrative investigation being conducted by it.

SEC. 11. Suspension or Removal of a Member of the Board.—The President of the Philippines may suspend or remove any member of the Board of Accountancy for neglect of duty or incompetence or for unprofessional or dishonorable conduct.

SEC. 12. Admission Requirements for Examination.—No person shall be admitted to the examination unless he is:

(a) A citizen of the Philippines or a citizen of any foreign country who is a permanent resident of the Philippines or has acquired his bachelor of science in commerce degree, or its equivalent, major in accounting from the Philippines and has submitted competent and conclusive documentary evidence confirmed by the Department of Foreign Affairs, showing that his country's existing laws extend similar privileges to citizens of the Philippines in respect to the practice of accountancy;

(b) At least twenty-one years of age: Provided, however, That an applicant below twenty-one years of age may be allowed to take the examination but in case he passes the examination shall not be issued the certificate until he reaches the required age;

(c) Of good moral character;

(d) Holder of the degree of Bachelor of Science in Commerce or its equivalent from any institution of learning recognized by the Government in accordance with the provisions of this Act; and

(e) Certified by the school, college or university as possessing the necessary employment or apprenticeship experience or a substitute thereof as prescribed by the Board of Accounting Education.

SEC. 13. Scope of Examination.—The examination shall be in writing and shall cover the following subjects with the corresponding weight in units:

Subjects Weight in
Minimum

Units Hours

Theory of Accounts	23
Business Law	1 112
Taxation	1 112
Management Services	1 112
Auditing Theory	1 112
Auditing Problems	2 3
Practical Accounting Problems I	2 3
Practical Accounting Problems II	2 3
Total	12 18

The contents and coverage of these subjects shall be in accordance with the outline or syllabus prepared and issued by the Board of Accountancy containing the following:

Theory of Accounts.—Accounting terminology, accounting principles and procedures, classification of accounts, valuation of assets and liabilities, income determination, developments in the science of accountancy, etc.

Business Law—Obligations and contracts, partnerships and corporations, negotiable instruments and other phases of the legal framework of business.

Taxation—Income tax, business taxes, transfer taxes, and other taxes affecting accounting practice.

Management services—Principles and procedures involved in management consulting services that may be rendered by Certified Public Accountants such as systems installations, preparation of budgets and forecasts, project studies, and controllership.

Auditing Theory and Problems—Theory and problems involved in the independent examination of accounts, auditing standards and procedures, audit programs and work papers and preparation of audit reports, and internal audits.