



**The Japanese Institute of
Certified Public Accountants**

4-4-1, Kudan-Minami, Chiyoda-ku, Tokyo 102-8264, Japan
Phone: +81-3-3515-1130 Fax: +81-3-5226-3356
e-mail: international@jicpa.or.jp
http://www.jicpa.or.jp/

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Technical Manager

International Accounting Education Standards Board

International Federation of Accountants

545 Fifth Avenue, 14th Floor

New York, New York 10017

USA

**Comments on the Exposure Draft “Proposed Framework for International Education
Standards for Professional Accountants”**

The Japanese Institute of Certified Public Accountants (JICPA) is pleased to comment on the “Proposed Framework for International Education Standards for Professional Accountants” as follows:

Request for General Comments

The IAESB welcomes comments on all matters addressed in this proposed *Framework* document. Comments are most helpful when they refer to specific paragraphs, include the reason for the comments and, where appropriate, make specific suggestions for any proposed changes to wording to enable the IAESB to fully appreciate the respondent's position. Where a respondent agrees with proposals in the exposure draft (especially those calling for a change in current practice), it will be helpful for the IAESB to be made aware of this view.

When considering the current situation of diversification and specialization of the accounting profession, it may not be realistic to expect all members of IFAC member bodies to satisfy all provisions requested by this standard as individuals. We believe that it is desirable for the Board to clearly distinguish and indicate the requirements for individual special fields and the minimum requirements for the entire accounting profession. (This is related to our comment on question 4.)

1.

One goal of the Framework revision project was to improve clarity and readability.

Question 1: Is the revised Framework document likely to be understandable to the first time readers of the IESs?

The previous framework and introduction each explained thoughts and concepts in detail. This framework has combined them and uses more concise description, and therefore, we believe that clarity and readability has improved.

On the other hand, definitions of concepts and explanations in this framework might be over simplified, which could result in less understanding of important details although the Framework is more readable. (For example, in the previous framework there were descriptions that facilitate understandability through the use of diagrams.)

In order to further facilitate readers' better understanding, we believe that it is desirable to fully explain concepts in the glossary and through the use of diagrams in the text.

2.

The Board was concerned about communication difficulties caused by differences in international accounting education programs; for example, "pre-qualification" and "postqualification." Readers often assume the terms are universal in terms of career stage but qualification points range from as early as the completion of a university degree in some countries to as late as just before achieving partnership in a public accounting firm in other countries. The terms initial professional development (IPD) and continuing professional development (CPD) have been adopted by the IAESB as alternative markers of career stage. IPD might end before, at, or after the point of qualification in different systems.

Question 2: Is the IPD-CPD terminology understandable? Does it have any significant drawbacks?

We understand that the Board introduced IPD and CPD in order to eliminate problems of misunderstanding since the previous classification of "pre-qualification and postqualification," which the IES originally intended to achieve, has not always been implemented due to differences in the education systems of different countries.

Paragraph 20 defines the termination date of IPD as the time when “the individual is recognized as being competent in that role,” and “admission to membership in an IFAC member body” is cited as one example. This kind of example has made it easier to understand the new classification conceptually, however it may be desirable that the Board add more examples in order to facilitate concrete understanding.

3.

Question 3: Are there any other terms within the Framework document which require further clarification? If so, please explain the nature of the deficiencies.

The difference between the definitions of ‘professional accountants’ and ‘accountancy profession’ is not clear. There are some cases in which ‘accountancy profession’ is used to mean the same as ‘professional accountants’ as in paragraph 2, while some other cases indicate different meanings as in paragraph 3 and 5. If the Board intends these two terms to mean different things, it is desirable that the Board consider re-wording in paragraph 2, and include ‘accountancy profession’ in the glossary, just like ‘professional accountants,’ in order to enhance readers’ understanding, and by so doing, clarify the differences between the two words.

4.

Before drafting the revised Framework document, the IAESB conducted an online survey and focus groups to gather stakeholder viewpoints. The results of the survey were distributed with the materials for the Board’s May 2008 meeting (Survey Results can be viewed at,

<http://www.ifac.org/Education/Meeting-BGPapers.php?MID=0150&ViewCat=0935>).

Question 4: Does the revised Framework document adequately reflect those viewpoints? If not, what are the significant deficiencies?

The present IESs provide guidance on accounting education for the entire accountancy profession. But IES No. 8 “Competence Requirements for Audit Professionals” is particularly effective in that it limits its scope to audit professionals. Currently audit practices are becoming quite diverse in clients industries as well as in auditors responsibility (such as SOX internal control audit, clients’ sophisticated IT environment, etc.,) and professional education should be provided taking into consideration of these specific situation. Therefore, IES should address the need for specialized education requirements for auditors who work in these unique situation. IESs require all

accounting professionals satisfy all provisions prescribed in the IESs, however, this rule is not appropriate because it doesn't reflect actual conditions under which accounting professionals work.

5.

The IAESB's 2007-2009 Strategic and Operational Plan includes conducting a detailed review of existing IESs to determine priority areas for revision and/or additional guidance. The project is on hold until late 2009 because the Board wished to be informed by work done on the Framework project before specific standards are targeted for revision.

Question 5: Which, if any, IESs do you believe should be high-priority for revision in light of the revised Framework document?

We have no comment on this.

6.

The IAESB is of the view that the selected effective date with the proposed transitional provisions will provide the appropriate balance to enable IFAC member bodies to attend to arrangements for the Framework document's translation and adoption.

Question 6: Do you agree with the suggested effective date of December 31, 2010? If you do not agree, please provide an explanation of how you would revise the effective date or transitional provisions to achieve that balance.

We have no comments on this.

Developing Nations

Developing Nations—Recognizing that many developing nations have adopted or are in the process of adopting the IESs, the IAESB invites respondents from these nations to comment, in particular, on any foreseeable difficulties in applying the *Framework* in a developing nation environment.

We have no comments on this.

Translations

The IAESB welcomes comments from respondents on potential translation issues noted in reviewing this exposure draft.

We have no comments on this.

Yours sincerely,

A handwritten signature in cursive script, reading "Chikami Tsubaki".

Chikami Tsubaki

Executive Board Member

The Japanese Institute of Certified Public Accountants