

## **Toward a Systemic Integration for the Lifelong Development of CPA Professional Competence (2025)**

### **—Building a Future of Trust, Aspiration, and Hope—**

#### Special Committee for Deliberation on the Systemic Integration of Professional Competence Development

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Since its establishment on December 16, 2022, when the Board of Directors of the Japanese Institute of Certified Public Accountants (the JICPA) approved its foundation, the Special Committee for Deliberation on the Systemic Integration of Professional Competence Development (the “Committee”) has undertaken an integrated and holistic review of the system and operations related to the competence development of Certified Public Accountants (CPAs), covering the entire process from the CPA Examination, the Practical Experience, the Professional Accountancy Education Program and the Final Assessment, to the Continuing Professional Development (CPD).

This report compiles and presents the Committee’s findings as of today.

The Committee began its deliberations by identifying the environmental changes surrounding CPAs and the structural challenges within the competence development system. It then sought to outline the direction for addressing these challenges. Based on these discussions, this report presents the resulting direction, summarizes the issues and discussion points at each stage of competence development, and proposes institutional reforms for certain matters.

However, some discussion points remain unresolved and will require further deliberation. Additionally, new discussion points are expected to arise in response to ongoing environmental changes. Therefore, this report should not be regarded as conclusive; rather, it is intended to serve as a foundation for continuous review. To reflect this intention, the Committee has included “2025” in the title to indicate that the views and proposals herein represent a specific stage in an ongoing, evolving dialogue that will be updated as necessary.

During the course of our deliberations, we received candid opinions from various stakeholders through surveys and interviews. We would like to express our sincere appreciation and ask for your continued cooperation going forward.

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## **Executive Summary**

### **Background and Objective**

In response to the expanding professional domain of Certified Public Accountants (CPAs) and the increasing depth of expertise required, this report aims to systematically reconstruct the approach to developing and assessing CPA competences. To strengthen the competences expected of CPAs as trusted professionals, the report adopts an integrated perspective that spans from the pre-examination stage through the post-qualification stage.

### **Key Issues**

- Insufficient connectivity in competence development and assessment across different systems
- Misalignment of objectives and performance indicators due to the siloed optimization of individual systems
- Difficulty in assessing non-cognitive skills and the absence of structured development methods
- Limited flexibility in institutional responses to emerging professional domains and evolving societal expectations
- Challenges for younger members and associate members in forming a clear long-term growth vision

### **Direction for Redesigning the Competence development System**

- Introduce a cross-system assessment framework
  - Utilize the Five Areas of Competence—(a) Responsiveness to change and a commitment to continuous learning, (b) Expertise, (c) Values, ethics, and attitudes, (d) Skills, and (e) General education—as a common language across systems
- Provide stage-specific support and assessments
  - Develop a competence development and assessment structure aligned with each career stage, from pre-examination through post-qualification
    - Pre-qualification: Primarily the development of core values
    - Post-qualification: Development of both core values and originality
- Enhance accountability to society
  - Strengthen public trust by making competence development more visible (e.g., disclosing areas of expertise)

### **Major Recommendations**

- Review the structure of the CPA examination (e.g., introducing more flexible subject options)
- Introduce opportunities for reflection and feedback in pre-qualification practical experience
- Review competence assessment methods for internship (assistance in audit engagements as part of the required practical experience) (e.g., introducing quantitative criteria and documenting the nature of work performed)
- Review competence assessment methods in the Professional Accountancy Education Program (e.g., seminars and discussions)
- Reframe the Final Assessment as a venue to confirm competences in light of practical experience
- Offer diverse learning opportunities and design the CPD system to promote autonomous learning
- Institutionalize the designation of specialization of CPAs through CPD completion records

**Outlook**

The realization of these recommendations requires ongoing dialogue and collaboration with relevant institutions. Within the JICPA, it will be essential to establish a permanent body for continuous review and to develop policies to ensure the effective implementation of the recommendations.

## Introduction

The Special Committee for Deliberation on the Systemic Integration of Professional Competence Development (the “Committee”) was established in December 2022 (by a resolution of the Board of Directors of the JICPA on December 16, 2022) based on the following intention:

Amid the rapid changes in the environment surrounding CPAs—including digitalization, the use and application of artificial intelligence (AI), and the disclosure and assurance of sustainability information—CPAs must continuously enhance their competences by adapting to these developments in order to maintain society’s trust.

However, responsibilities for competence development are currently divided among several bodies depending on the type of training: the Professional Accountancy Education Council for the Professional Accountancy Education Program, the Final Assessment Committee for the Final Assessment, and the Continuing Professional Development Systems Committee for CPD. In addition, councils organized by member attributes, such as the Professional Accountants in Business (PAIB) Council and the Outside Directors and Corporate Auditors Council, focus solely on competence development for their respective members. As a result, sustained and holistic discussions on integrated competence development for CPAs have not been conducted within any single framework.

Based on this recognition, a new special committee will be established to explore the systemic integration and holistic competence development of CPA professional competence throughout its entire lifecycle—from pre-examination education and the CPA examination to the Practical Experience, the Professional Accountancy Education Program, the Final Assessment, and CPD. This consideration is grounded in the Report on Competency Framework for CPAs, published by the JICPA’s Task Force, which identified five areas of competence necessary for CPAs: (a) responsiveness to change and a commitment to continuous learning, (b) expertise, (c) values, ethics, and attitudes, (d) skills, and (e) general education.

Amid the significant environmental changes surrounding CPAs, the scope of professional activities and the depth of specialization have continued to expand. Recognizing the need for enhanced competence development, both in quality and quantity, the Committee has spent approximately two and a half years examining these issues<sup>1</sup>.

During the course of its deliberations, the Committee published an interim report, *The Development of Integrated CPA Competence*, in August 2024, which summarized discussion points primarily on specific topics and solicited public comments. The Committee also engaged in discussions with academics, relevant government authorities, accounting firms, and other stakeholders, making efforts to ensure that the deliberations extended beyond the boundaries of the CPA profession and the JICPA itself.

At the same time, throughout its examination of various discussion points and challenges related to competence development, the Committee has continually reflected on what is required for the CPA profession to remain attractive and meaningful in the future.

What, then, does it mean in concrete terms for certified public accountants to be regarded as an “attractive profession”?

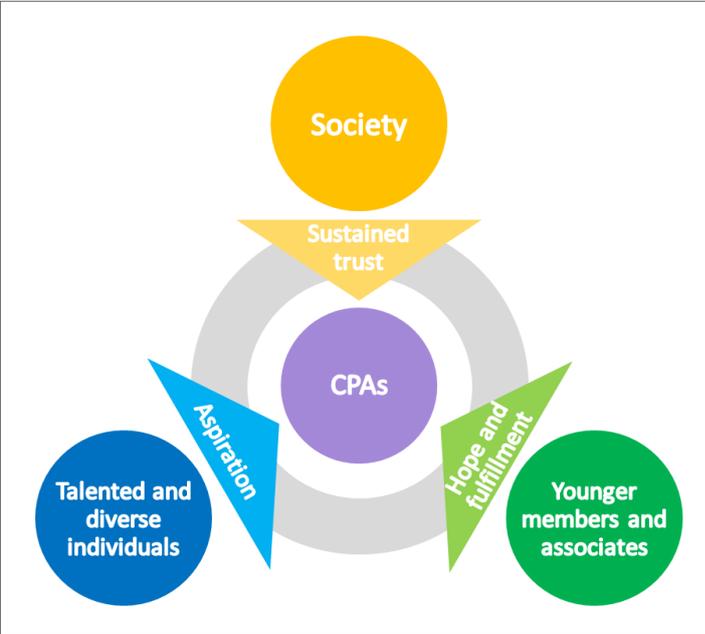
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<sup>1</sup> See “Appendix 2: Interviews and Survey Conducted by the Committee.”

Above all, it is essential that CPAs continue to earn the trust of society. In addition, it is equally important that talented and diverse individuals continue to be drawn to our profession with a sense of aspiration, and that younger members and associate members, those who will shape the future of our profession feel hope and experience a sense of fulfillment in their work. These elements are considered just as vital as public trust.

Trust is built through high professional competence, strong ethics, and integrity that collectively meet societal expectations. Aspiration for the profession is fostered through its appeal as a career and through a rewarding work environment. A sense of hope and fulfillment is nurtured when younger members and associate members can recognize the significance of their personal growth and their societal contributions. These elements are not independent or contradictory; rather, they reinforce one another in a virtuous cycle that enhances the overall attractiveness of the CPA profession.

This is the Committee’s current view regarding the question posed above. To realize this vision, it is essential to examine CPA competence development in an integrated and holistic manner. Accordingly, this report presents recommendations on the approach to competence development across the entire process from the pre-examination stage through post-qualification.



## **I. Building Blocks of the Discussion**

In considering the integrated development of competences for CPAs in Japan, we organize the following four key points that should be understood in advance:

1. International Education Standards (IES),
2. Report on Competency Framework for CPAs,
3. Vision Paper, and
4. Recent international developments in the United Kingdom and the United States.

The outlines of these items are summarized below.

### **1. International Education Standards (IES)**

The International Education Standards (IES) established by the International Federation of Accountants (IFAC) form the foundation for the discussions in this report. The eight IESs are structured across the following three stages, each of which is closely related to the content examined in this report.

#### **(i) Entry requirements to professional accounting education programs**

The IES sets the entry requirements for professional accounting education programs as follows:

- IES 1, Entry Requirements to Professional Accounting Education Programs  
IFAC member bodies shall specify education programs that will allow entrance only to those with a reasonable chance of completing the professional accounting education program, while not representing excessive barriers to entry. As stated in paragraph A5, these requirements should be “neither too high (causing unnecessary barriers to entry to the profession), nor too low (causing individuals to believe falsely that they have a likelihood of completing the education successfully).” Thus, both equity and attainability are required.

#### **(ii) Initial Professional Development (IPD) for aspiring professional accountants**

The IES defines the following items as Initial Professional Development (IPD):

- IES 2, Initial Professional Development – Technical Competence  
IES 2 requires CPAs to address broad professional areas, including financial accounting and reporting; taxation; auditing and assurance; governance, risk management and internal control; and information and communications technologies (ICT).
- IES 3, Initial Professional Development – Professional Skills  
IES 3 prescribes that professional accountants should have professional skills of (a) intellectual, (b) interpersonal and communication, (c) personal, and (d) organizational skills, stressing the ability to adapt to complex situations.
- IES 4, Initial Professional Development – Professional Values, Ethics, and Attitudes  
IES 4 specifies that professional accountants should apply professional skepticism, exercise professional judgment, and act in an ethical manner that is in the public interest.
- IES 5, Initial Professional Development – Practical Experience  
IES 5 requires aspiring professional accountants to gain sufficient and relevant practical experience by the end of IPD under the direction of a practical experience supervisor (a professional accountant responsible for guiding, advising, and assisting aspiring professional accountants).
- IES 6, Initial Professional Development – Formal Assessment of Professional Competence  
IES 6 prescribes the requirements for assessing the professional competence that aspiring professional accountants must demonstrate by the end of IPD, requiring IFAC member bodies to formally assess whether they have achieved an appropriate level of professional competence.

(iii) Continuing Professional Development (CPD)

The IES defines the following items as Continuing Professional Development (CPD):

- IES 7, Continuing Professional Development

IES 7 prescribes the Continuing Professional Development (CPD) required for professional accountants to develop and maintain their professional competence and strengthen public trust in the accountancy profession. Paragraph 2 of IES 7 lists learning and development activities relevant to a professional accountant's role, recognizing a variety of activities beyond formal training as part of CPD:

- education,
- training,
- practical experience,
- mentoring and coaching,
- networking,
- observation, feedback, and reflective activities, and
- self-development activities.

- IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements

IES 8 prescribes the professional competence that professional accountants are required to develop and maintain when performing the role of an engagement partner responsible for audits of financial statements.

## 2. Report on Competency Framework for CPAs

The Report on Competency Framework for CPAs (the "Competency Report"), published by the JICPA in November 2021 for members and associate members, identifies five key areas of competence, with a focus on the point of qualification for professional accountants.

(i) Responsiveness to change and a commitment to continuous learning

Competences that enable CPAs to identify what knowledge and skills are necessary amid a changing environment and to continue self-directed learning.

(ii) Expertise

Core technical knowledge essential for CPAs to perform their duties, including accounting, auditing, taxation, information and communication technologies (ICT) and digital technologies, corporate governance, internal control, and corporate finance.

(iii) Values, ethics, and attitudes

The code of conduct that guides CPAs in fulfilling their professional duties. While these are enduring qualities regardless of era, they must also evolve in response to societal changes. Therefore, they are competences that every CPA must continuously develop and refine, irrespective of generation or career stage.

(iv) Skills

A collective term for the competences that enable CPAs to effectively apply and demonstrate their expertise and their values, ethics, and attitudes when performing their duties. These skills are classified into three sub-skills:

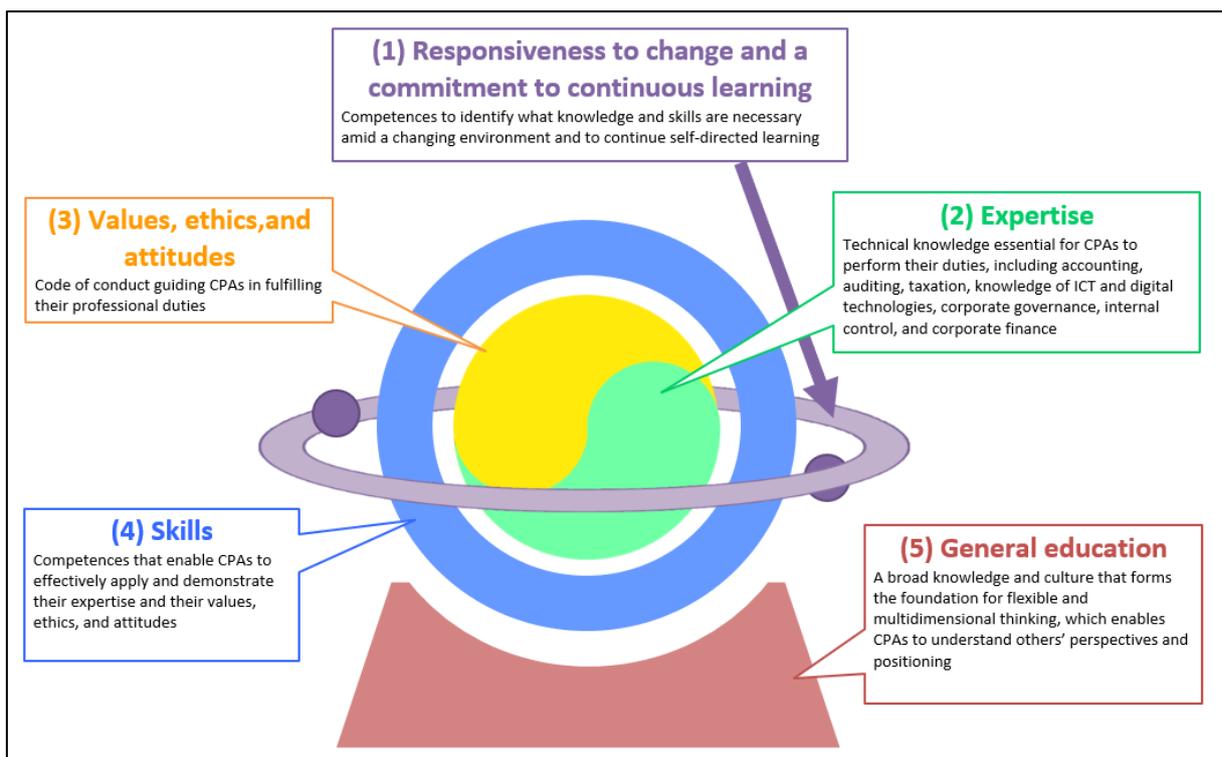
- **Conceptual skills**  
The competence to conceptualize and discern the essence of issues by understanding relevant knowledge and information when CPAs encounter challenges in practice.
- **Self-management skills**  
The competence to set appropriate goals aligned with personal and professional objectives, continue self-development, and flexibly adapt their career paths to changing circumstances.
- **Human skills**  
The competence to engage openly with others—such as clients, colleagues, project members, and experts from other disciplines—and to build and maintain productive and collaborative relationships in order to execute operations smoothly and provide high-quality professional value that cannot be delivered individually.

(v) **General education**

A broad base of knowledge and culture that forms the foundation for flexible and multidimensional thinking. This enables CPAs to understand and explain the social significance and limits of their expertise while appreciating others' perspectives and positions.

These five competences are independent but mutually complementary (see the chart below).

[Interrelationship of competences required for CPAs (Competency Report, p. 31, Chart 7)]



As explained above, the Competency Report focuses on the point of qualification of professional accountants because it marks the formal recognition of individuals as being fully qualified CPAs. This is a critical milestone, as the public naturally regards them as CPAs with a certain level of competences. Specifically, only once CPAs meet the formal qualification requirements, can they be registered to

perform the full range of professional services, including signing audit reports as engagement partners<sup>2</sup>. This point also marks the juncture at which each CPA enters their specialized field of expertise.

While the Committee reaffirmed the importance of competences expected at the point of qualification of professional accountants, it also examined whether, and in what ways, the required competences would change over the course of one's long professional career. As the scope of CPAs' professional responsibilities continues to expand and deepen, it has become difficult to define a single, uniform set of competences applicable to all CPAs regardless of role. On the other hand, the competences identified as critical at the point of qualification remain essential even many years after registration. In fact, as time passes, they may become even more vital and require further enhancement.

Based on the above, the Committee considers the five areas of competence identified in the Competency Report to constitute common foundations that are equally important both at the point of qualification and throughout post-qualification development. The Committee believes that these competences serve as shared fundamentals for the discussions in this report and should be further enhanced in quality as CPAs gain professional experience.

### **3. Vision Paper**

In March 2022, the JICPA published its Vision Paper 2022—The Way Forward for the JICPA (the "Vision Paper 2022"), which summarized how CPAs should contribute to society and what the JICPA should aim to achieve in an increasingly unpredictable environment.

Subsequently, in March 2025, in light of further environmental changes, the JICPA issued a follow-up paper titled Initiatives to Realize Our Vision—Reviewing Vision Paper 2022 (the "Vision Paper 2025"). The Vision Paper 2025 identified key initiatives for building public trust and contributing to the realization of a secure, dynamic, and prosperous society.

The two key concepts introduced in the Vision Paper 2022—core value and originality—are highly relevant to understanding the developmental stages of competences.

#### **Core Value**

The shared core value that professional accountants must possess to earn trust within society—grounded in high ethical standards, expertise, and broad knowledge base.

#### **Originality**

The individual value that each CPA contributes by leveraging their diverse experiences and strengths to address various societal challenges.

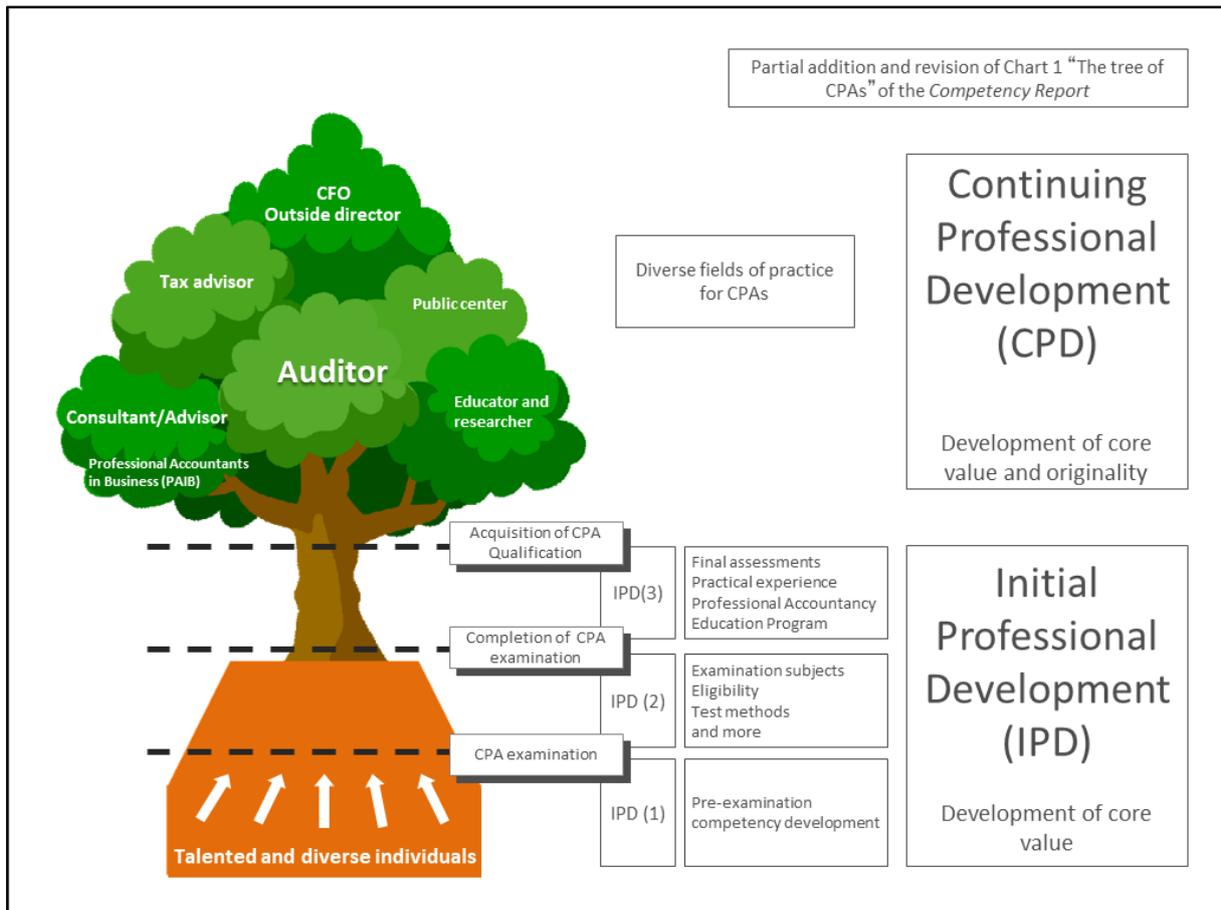
As shown in the chart on page 8, the Committee assumes that, in developing these two dimensions of value, competence development prior to qualification should focus primarily on core value, while post-qualification competence development should place emphasis on both core value and originality. In conducting its discussions, the Committee consistently referred to the "**Tree of CPAs**" presented in the Competency Report.

By explicitly distinguishing between core value and originality, it becomes clear that the development of the competences required of CPAs should not be viewed as a uniform, linear process leading to a single endpoint. Rather, it should aim to achieve a balanced combination of shared commonality (core value) and individual diversity (originality).

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<sup>2</sup> The amended Certified Public Accountants Act, effective in April 2023, introduced a registration system for auditors of listed companies and other entities. Under this system, the chief auditor of a listed company must have at least three years of experience in audit and attestation for listed companies after licensure.

[Tree of CPAs]



#### 4. Recent International Developments (United Kingdom and United States)

In recent years, the Institute of Chartered Accountants in England and Wales (ICAEW) and the American Institute of Certified Public Accountants (AICPA) / the National Association of State Boards of Accountancy (NASBA) have each implemented reforms to their competence development systems. These international developments provide valuable reference points for considering the future direction of Japan's system, particularly in the areas discussed in Section III: The Need for and Direction of Integrated Competence Development and Section IV: Cross-System Reorganization Based on Competences. Below, we summarize recent developments in pre-qualification (IPD) and post-qualification (CPD) competence development in the United Kingdom and the United States.

##### (1) United Kingdom: Competence development system of ICAEW

###### (i) Pre-qualification (IPD)

In the ICAEW, IPD corresponds to the ACA qualification program. There are no strict academic requirements for entry, enabling individuals from diverse educational and professional backgrounds to participate<sup>3</sup>. The ACA qualification consists of three levels of examinations, 15 subjects, and practical work experience totaling at least 450 working days (approximately 3,150 hours at 7 hours per day) over a period of three to five years. During the practical work experience period, aspiring Chartered Accountants meet with their employers every six months to review their progress, discuss future challenges, and document their progress using a designated online tool. This process-oriented system encourages continuous and multifaceted growth among aspiring CPAs.

Beginning in September 2025, the ACA qualification will transition to a new system entitled, "Next Generation ACA." The objective of the new system is to develop forward-looking leadership skills essential for the next generation of ICAEW Chartered Accountants and to provide a strong foundation for long-term career success. The main features of the new system are as follows:

a. Practical work experience and educational background  
Significant changes are not anticipated in these areas.

###### b. Examination (Business, Finance and Accountancy Module)

Following a comprehensive syllabus review, the examinations will be restructured into three levels and 14 subjects<sup>4</sup>.

A new subject, Sustainability and Ethics, will be introduced, integrating two themes that are increasingly critical in today's business environment—neither of which previously existed as a standalone subject.

In addition, the current Case Study—previously a single subject at the Advanced Level—will be expanded to three subjects. The current Case Study and two associated subjects will be reorganized into the Technical Case Study and Strategic Case Study. A new Fundamental Case Study will be introduced at the Professional Level (the second level), covering more foundational content.

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<sup>3</sup> However, the route that the ICAEW promotes on its website as "the most established" is the pattern of beginning ACA qualification studies after completing a university degree. In fact, the ICAEW publicly states that approximately 75% of applicants have obtained some form of degree at the time of registering for the ACA qualification. The website also discloses the level of academic background that is "naturally expected" when entering into a training agreement to gain practical experience—such as holding a degree, general secondary education qualifications, and university grades. These factors suggest that, in practice, academic background carries considerable weight in obtaining the qualification.

<sup>4</sup> See "Appendix 1 Recent International Developments (the United Kingdom and the United States), 1. The ICAEW Examination System in the United Kingdom."

In response to the rapid digital transformation occurring in business, related examination content will also be enhanced.

c. Specialized Learning and Development

Parallel to examination preparation and practical work experience, aspiring CPAs are required to complete Specialized Learning modules through e-learning which are aligned with their practical activities. These modules help candidates develop technical expertise and transferable skills applicable in any workplace, while deepening their understanding of the importance of lifelong learning. Specialized Learning modules are delivered in an interactive format—including quizzes, videos, and case-based exercises—and cover a wide range of topics, such as finance, forensics, industry-specific content, communication, and project management. Aspiring CPAs determine what they learn and periodically review their progress with their employers, who serve as mentors.

(ii) Post-qualification (CPD)

A new CPD system was introduced in November 2023. While the overarching principle of each member bearing responsibility for determining and implementing what they need for their own development remains, the new system introduces minimum CPD requirements based on members' engagement-risk categories (categories 1 to 3). This reflects recognition that a uniform standard is not effective given the wide diversity of current CPA practices. Regardless of category, however, ethics training has been made mandatory, reflecting heightened regulatory scrutiny following several high-profile accounting fraud cases in the UK.

CPD content—including the mandatory ethics subject—does not necessarily have to be provided by the ICAEW. Members may choose external training programs aligned with their needs and interests, based on the overarching principles described above. At the same time, as a private organization, the ICAEW has created the ICAEW Academy, which offers structured programs categorized by level and target audience, making it easier for members to select appropriate training. These courses are also available to non-members.

The CPD system recognizes not only lectures and e-learning but also workshops, competence development events, and on-the-job training (OJT) as being eligible for CPD credits<sup>5</sup>. Thus, both formal and informal learning are incorporated flexibly into the CPD system.<sup>6</sup>

## (2) United States: AICPA/NASBA competence development system

(i) Pre-qualification (IPD)

In the United States, the requirements for CPA licensure (equivalent to Japan's registration requirement) vary by state. Most states require at least 150 credits (a bachelor's degree plus 30 additional credits), including an accounting concentration, along with work experience<sup>7</sup>. This rigorous requirement has been criticized as one factor contributing to declining candidate numbers, prompting recent reform discussions. An Exposure Draft of the Uniform Accountancy Act (UAA) proposed adding an alternative pathway to CPA licensure requiring a bachelor's

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<sup>5</sup> For OJT activities to be qualified as CPD credits, an aspiring CPA must document not only the nature of the activity but also the reasons for selecting it (i.e., how relevant it is to one's job responsibilities), what was learned from the activity (whether the initial objectives were achieved and whether further learning is needed), and how much time was consumed. In addition, such a record should include the nature of the involvement of verifiers (a colleague or supervisor) who can attest to the activity (for example, by noting that they attended the individual's presentation).

<sup>6</sup> The informal learnings in this Report refer to self-directed and experimental learning, such as practical experience; mentoring and coaching; observation, feedback, and reflective activities; as described in IES 7, in contrast to stylized, curriculum-based training.

<sup>7</sup> Many states designate about 30 of 150 credits for a concentration in accounting and business-related subjects.

degree (120 credits) plus two years of work experience, in addition to the existing “150 credits plus one year of work experience.” A majority approved the Exposure Draft, and it was formally endorsed by the boards of directors of AICPA and NASBA in May 2025. The amendment is therefore expected to be included in the revised UAA in summer 2025.

In 2024, an initiative to transform the CPA examination, entitled the CPA Evolution, was implemented. Previously, candidates were required to pass four mandatory subjects: FAR (Financial Accounting and Reporting), AUD (Auditing and Attestation), REG (Taxation and Regulation), and BEC (Business Environment and Concepts). However, as business environments become more complex and technological innovation advances, the knowledge and skill sets required of CPAs have evolved. Consequently, NASBA and the AICPA adopted a new examination structure consisting of both Core and Discipline sections. All candidates must successfully complete three Core examinations—AUD, FAR, and REG—and then choose one Discipline subject from either BAR (Business Analysis and Reporting), ISC (Information Systems and Controls), or TCP (Tax Compliance and Planning), demonstrating knowledge and skills in that specific domain<sup>8</sup>. The AICPA and NASBA emphasize that the choice of the Discipline subject neither affects one’s CPA qualification nor limits one’s future professional scope. It should be noted that due to the increasing importance of technology, the Core examinations now place greater emphasis on technology-related topics.

(ii) Post-qualification (CPD)

In the United States, post-qualification competence development is referred to as the Continuing Professional Education (CPE) system. CPE requirements differ by state, but most states require CPAs to complete at least 40 credits annually, including two credits in ethics. Learning formats other than seminars are also accepted, provided they are demonstrably effective. For example, as the Uniform Accountancy Act Model Rules recognize nano-learning programs of less than 20 minutes as qualifying learning activities, some states allow such programs to count toward CPE credits within specified limits.

Certain states impose additional CPE requirements based on specialization or risk characteristics. For example, audit engagement partners may be required to complete a specified number of hours of audit-related work experience as an additional CPE requirement.

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<sup>8</sup> For changes in the examination, see “Appendix 1 Uniform CPA Examination (CPA Exam).”

## **II. Structural Issues in the Current System and Their Background**

This section identifies the structural issues in the current competence development system amid the changing economic and social environment, as highlighted in the Vision Paper 2025. These issues underscore the need to review the entire system holistically so that CPAs can remain a trusted and attractive profession.

### **1. Environmental Changes and Emerging Challenges for CPAs**

Based on the Vision Paper 2025, the Committee has organized its understanding of the environmental changes surrounding CPAs and the challenges they face as follows.

First, the external environment surrounding CPAs is undergoing significant change. These changes include the growing interest in non-financial information—most notably the disclosure and assurance of sustainability information—the globalization of the economy and society, rapid innovation in digital technologies including generative AI, and, in addition, signs of an exit from deflation and a heightened awareness of capital costs among listed companies.

Second, against the backdrop of these developments, the roles and fields in which CPAs are expected to contribute are evolving and expanding, creating a need for competence development that is aligned with these shifts. For the CPA profession to remain a profession that is grounded in public trust, provides younger members with hope and a sense of fulfillment, and that talented and diverse individuals aspire to, it is essential for us to maintain a competence development system that adapts to the changes that are present in the external environment.

Based on this understanding, the Committee has laid out the structural issues within the CPA qualification system and their underlying factors contributing to them.

### **2. Structural Issues in the Competence Development System**

The Committee recognizes the following key issues in the current competence development framework, which stem from its structural design:

- Lack of consistent, cross-system competence development and assessment mechanisms
- Misalignment of objectives and performance indicators across systems
- Difficulty in assessing non-cognitive skills<sup>9</sup> and insufficient methods for developing them
- Limited flexibility of the system in responding to emerging professional domains and societal needs
- Lack of a clear long-term growth vision among younger members and associate members

These are not merely conceptual or philosophical challenges but also represent practical issues in implementation and operation.

### **3. Background of Structural Issues and Challenges**

These issues arise from structural factors, including the system's historical context and siloed administrative bodies.

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<sup>9</sup> In this report, non-cognitive skills refer to the competencies that correspond to values, ethics, and attitudes, and skills as described in the Report on Competency Framework for CPAs. These competencies are difficult to assess through written examinations but form the core of a CPA's behavioral norms and interpersonal conduct. IES 3 and 4 list similar competencies required of professional accountants.

For example, the CPA examination serves as a selection system focused primarily on knowledge acquisition, while the Final Assessment and CPD systems are designed to evaluate CPAs' practical professional competences. However, the teaching and assessment methods across these systems are not aligned. Moreover, the absence of shared terminology and a common assessment framework<sup>10</sup> makes it difficult to visualize learner development across the entire competence development continuum.

This fragmentation stems from each system having been optimized individually in terms of its objectives, evaluation indicators, target participants, and timeframe, resulting in a lack of coherence, flexibility, and long-term sustainability across the overall system.

Section III: *The Need for and Direction of Integrated Competence Development* discusses the need for integrated competence development and the direction of cross-system reform. Section IV: *Cross-System Reorganization Based on Competences* examines concrete proposals for reorganizing each competence development process in accordance with CPAs' stages of professional growth, based on the direction set out in Section III.

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<sup>10</sup> The assessment framework is a structure that enables the capture of the CPA's growth process across different systems and supports the objectives and assessments of each system from a consistent perspective.

### **III. The Need for and Direction of Integrated Competence Development**

As described in Section II, the current CPA competence development system is fragmented across different institutional frameworks. As a result, the system lacks coherence in career formation, provides insufficient continuity across programs, and does not adequately ensure assessment structures aligned with the developmental stages required of highly skilled professionals. To address these challenges and continuously cultivate professionals who can meet societal expectations, the entire system should be redesigned from three perspectives: cross-system integration, stage-appropriate support and assessment, and accountability to society.

First, to achieve these goals, a cross-system assessment framework—namely, the five areas of competence required of CPAs (responsiveness to change and a commitment to continuous learning; expertise; values, ethics, and attitudes; skills; and general education)—should be used as shared indicators and a common language. These should not be applied rigidly; rather, they should function flexibly as a shared philosophy or conceptual foundation that enhances coherence across systems and increases the visibility of learners’ developmental progress. These five areas should serve as guiding principles for designing each institutional program across the entire CPA development process.

Second, a support and assessment framework tailored to each stage is essential. Competence development is a continuous process that spans from pre-examination to post-qualification, and the nature of competences to be obtained varies across stages. For example, prior to passing the CPA examination, the focus should be on “establishing a foundational understanding of expertise and basic skills.” From the period between passing the examination to completing the Professional Accountancy Education Program and Final Assessment, the emphasis should shift to “developing professional expertise and practical application competences as a CPA.” After qualification, the focus should be “expanding and deepening professional competence and sustaining self-directed learning.” Therefore, it is crucial to identify the nature of the competences required at each stage and to develop and introduce appropriate methods of competence development and assessment during said stages.

Third, the competence development system must be designed to uphold the CPA system’s accountability to society. Mechanisms should be established that enable the public, as well as members and associate members, to understand how CPAs (including aspiring CPAs) develop the competences expected of them and grow into trusted professionals (for example, through the designation of specialization of CPAs).

These perspectives serve as guiding principles for restructuring the entire lifelong competence development process for CPAs and for ensuring that the different systems function in a coordinated and mutually complementary manner.

The direction for integrated competence development presented here provides the foundation for reconstructing the institutional frameworks that support each stage of the CPA career path. Based on the current issues identified at each stage, Section IV will examine in detail how the systems should be reorganized to address structural challenges, while ensuring overall continuity and consistency.

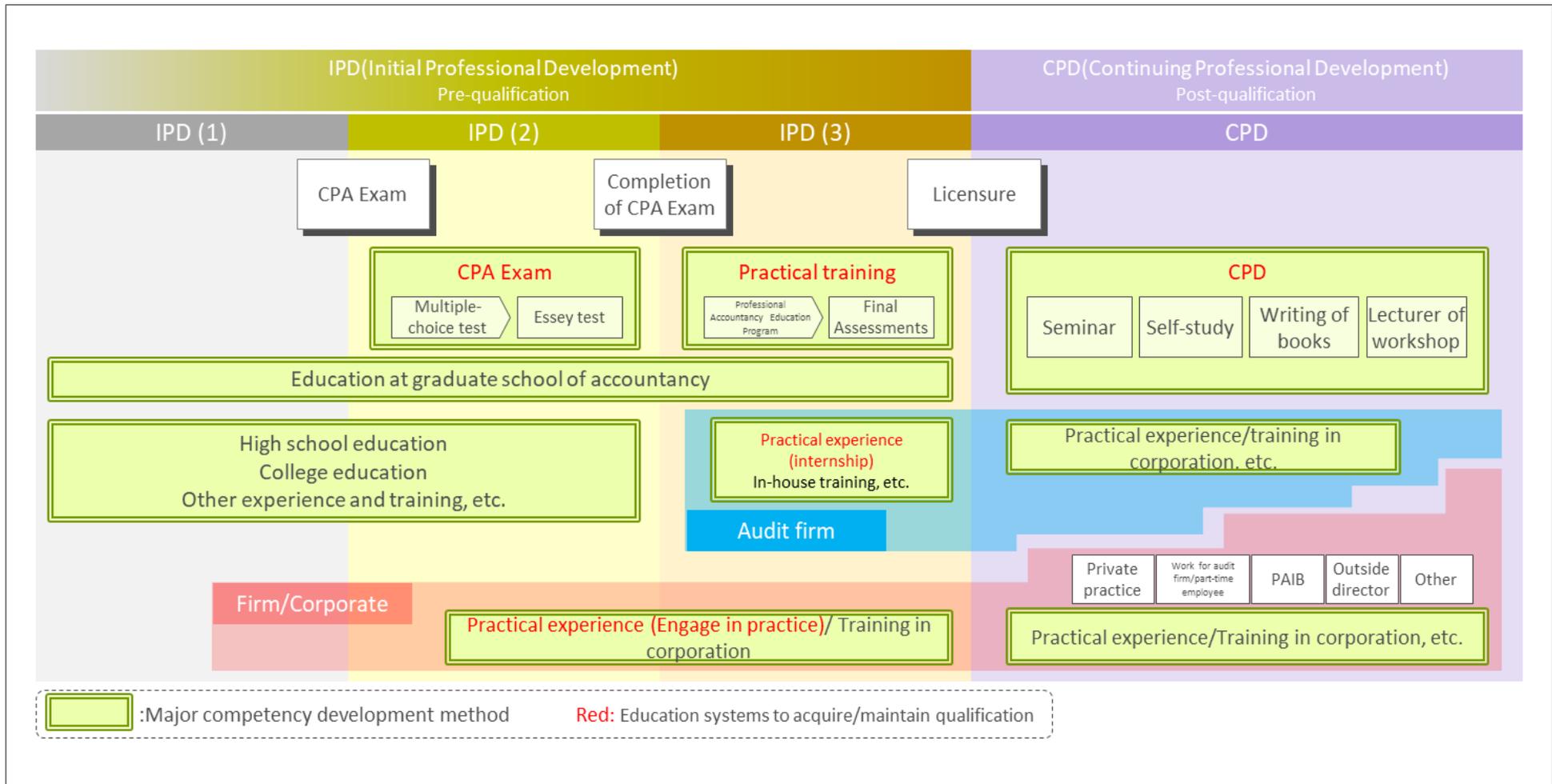
#### **IV. Cross-System Reorganization Based on Competences**

In this section, we discuss how the existing CPAs' competence development system should be reorganized from the viewpoints of the competences as explained in "III. The need for and direction of integrated competence development." The competence development of a CPA is a continuous process that runs from pre-examination to post-qualification (see the chart on P16). Specifically, the discussion is organized into the following four stages:

- IPD(1): Pre-CPA examination
- IPD(2): From taking the CPA examination to completion
- IPD(3): After completion of the CPA examination to qualification
- CPD: Post-qualification

We classified the development stages into four stages to explain how each should be reorganized and how they can work together in a coordinated, complementary manner to continuously enhance the competences required of CPAs. To do so, we should base our approach on the direction of integrated competence development outlined earlier, namely from the viewpoints of cross-system reorganization, support and assessment for each stage, and accountability. Using the five areas of competence presented in the Competency Report as a shared language, we clarify the institutional challenges and directions for improvement, specifying which competences should be developed and assessed at each stage.

[Overall Framework]



## **1. Formation of Foundational Competences at the Start of a CPA Career: IPD(1)**

IPD(1) represents a vital initial phase of the CPA career, during which diverse aspiring CPAs enter the system. The competences cultivated at this stage form the foundation for subsequent professional learning and ethical practice. These competences are particularly critical for establishing the groundwork for general education and values, ethics, and attitudes. This section outlines the competences to be developed during IPD(1), the methods of assessment, and the results of the discussion regarding whether an educational background requirement should be introduced.

### **(1) Competences to be developed and assessed**

The competences to be developed and assessed in IPD(1) include fundamental learning skills and non-cognitive skills such as ethics, general education, logical thinking, and writing skills. These form the basis for competence development in IPD(2) and beyond. Since these skills cannot be acquired in a short period of time, they must be cultivated and accumulated from the pre-examination stage onward. However, concerns have been raised that these competences are not always sufficiently developed.

For example, basic learning experiences such as discussions and essay writing are essential for persuasively articulating practical accounting and auditing issues based on one's practical experience and relevant literature. Yet a considerable number of those who have passed the CPA examination and entered the Professional Accountancy Education Program have limited or no such experience.

### **(2) Competence development and assessment methods**

Under the current CPA system, no explicit competence development or assessment framework exists for IPD(1). Some competences—such as logical thinking and writing—are indirectly assessed through the essay portion of the CPA examination, while ethics is fostered and evaluated through practical experience and the Professional Accountancy Education Program in IPD(2) and beyond. Nevertheless, there remains room to improve support and assessment at each stage.

Thus, the question arises as to how the competences associated with IPD(1) should be developed. As noted above, the CPA system does not provide a formal setting for this stage, and the competences that should be cultivated at this point require accumulation from even before an individual aspires to become a CPA. Therefore, it is neither feasible nor appropriate to prescribe a uniform method for competence development under IPD(1). Instead, it is expected that each individual will have formed the foundational competences appropriate to their circumstances by the time they sit for the examination.

There are also many views that the competences to be developed in IPD(1) can be cultivated through university education. Indeed, university education, based on the completion of high school<sup>11</sup> education, is intended to “develop intellectual, moral, and practical competences” (Article 83, paragraph 1 of the School Education Act). As long as students are provided with sufficient opportunities to acquire general and specialized knowledge and skills, engage in discussions, write essays, and give presentations, university can serve as an effective setting for such development. However, competences may also be fostered in various other contexts, such as through non-accounting professional experience or social and community activities. Therefore, discussions should continue—including in relation to potential educational background requirements for the CPA examination.

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<sup>11</sup> Article 50 of the School Education Act states that the purpose of high school is to provide high-level professional education and regular education, in accordance with students' mental and physical development and career, on a foundation laid in junior high school.

### **(3) Other considerations: Discussion on an educational background requirement**

Currently, the CPA examination in Japan does not require a specific educational background or prior practical experience, allowing broad access to individuals from diverse backgrounds. However, the current system does not guarantee that aspiring CPAs possess foundational competences—such as ethics, general education, and logical thinking skills, all of which are necessary for professional accountants.

This has led to various opinions. Historically, an educational requirement existed under the former CPA system as a condition for exemption from the first-stage examination<sup>12</sup>.

The main reasons cited by those who argue that academic requirements should be established are as follows, and these reasons implicitly include the idea of using academic background as part of the evaluation of competences in IPD(1).

- Sole reliance on an examination cannot adequately assess all necessary knowledge. Requiring the completion of certain university credits—similar to other countries—may help ensure candidates acquire broad-based knowledge, including areas difficult to examine.
- Liberal arts education contributes to developing ethics and judgment, forming the basis for general education and values, ethics, and attitudes.
- Other national examinations, such as the medical and bar examinations, require completion of university or graduate programs.

Some suggest that even if a full university degree is not mandated, requirements equivalent to the exemption conditions of the former first-stage examination should be reintroduced.

However, after examining these perspectives, the Committee has concluded that it is unnecessary to introduce an educational background requirement either at the CPA examination stage or for CPA registration. The reasons are as follows:

- Ethics and professional judgment can be developed through education outside university settings. Imposing educational requirements may inadvertently exclude capable individuals with diverse backgrounds.
- Requiring formal educational credentials may conflict with the principle of the CPA examination, which is intended to assess true competence.

While debates on educational requirements will continue, the fundamental issue is not whether such requirements should be imposed, but how the essential competences required at IPD(1) can be effectively cultivated. Given the increasing importance of competences such as general education; and values, ethics, and attitudes, it is crucial to continue discussions—both within and outside the JICPA. These discussions should be conducted while monitoring developments across primary and secondary education<sup>13</sup>, and higher education systems, and considering the societal significance of CPAs and international consistency in qualification standards<sup>14</sup>.

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<sup>12</sup> Under the previous CPA examination system, individuals who had graduated from a university or similar institution, as well as those who had completed at least two years of university study and earned 44 or more credits, were exempted from the first test and could take the second test.

<sup>13</sup> Under the current National Curriculum Standards, education must be provided to foster children's motivation for learning, develop their personalities, cultivate practical knowledge and skills applicable to real life, and nurture the capacity for thinking, judgment, and expression to respond to unfamiliar situations. In recent years, accounting literacy has also been emphasized, and the lower secondary social studies curriculum (civics) and upper secondary civics courses encompass accounting information and business accounting. The JICPA also encourages children and students to gain accounting literacy through school curricula and provides accounting education programs for them.

<sup>14</sup> While the ICAEW requires no educational background, the AICPA/NASBA requires an aspiring CPA to earn credits in specific subjects before registration. For details, see "I.4.Recent International Developments (United Kingdom and United States)."

## **2. Evaluation of Fundamental Expertise and Practical Skills at the Point of CPA Examination: IPD(2)**

The CPA examination is a system for assessing whether candidates possess fundamental “expertise” and critical thinking skills, and for selecting those who meet a required standard. This section explores how to improve the CPA examination in light of assessing “expertise” and certain “skills,” based on the current situation and issues related to certain subject areas, question scope, testing methods, and other related issues.

Following World War II, the certified public accountant was established as a national qualification with exclusive rights to perform statutory financial audits. Unlike other countries, the Japanese CPA examination is a national examination that plays a central role in ensuring the CPA’s “expertise,” such as in accounting and auditing.

As the educational background has already been discussed in the previous section “VI-1. Formation of Foundational Competences at the Start of a CPA Career: IPD(1),” this section focuses on what the Committee discussed, especially the subject, the scope and nature of questions, as well as the testing methodology.

### **(1) Competences to be developed and assessed**

The competences to be developed and assessed at this stage include certain elements of fundamental “expertise” as well as “skills” such as logical thinking, judgment, application skills, and writing. In particular, an essay test serves as a final judgment of an aspiring CPA’s knowledge and application skills, focusing on whether they possess skills such as logical thinking, judgment, application skills, and writing<sup>15</sup>. As the business environment continues to evolve and the needs for emerging expertise increase, areas such as sustainability reporting and assurance, digital transformation, and corporate finance, should also be tested.

To ensure CPA systems remain relevant and enhance public trust, the CPA examination should be flexible, allowing for subject revision to incorporate tests of professional expertise in emerging fields in response to these changes. However, under the Certified Accountant Act, which explicitly stipulates the examination subjects, any revision takes at least several years, it is hard to be agile and responsive to a rapidly changing environment. The Committee considers it appropriate that the authority to revise the subjects of the CPA examination be delegated to the Certified Public Accountant Examination Rules, under a Cabinet Office Ordinance<sup>16</sup>.

In addition, the Committee concluded that skills such as communication, problem-solving, and leadership should not be directly tested in the CPA examination. These skills should be developed and assessed in subsequent stages through either practical experience, on-the-job training (OJT), off-the-job training (Off-JT), at the workplace or in discussions as part of the Professional Accountancy Education Program. Some proposed reinstating the oral communication test, which was previously the third test of the CPA examination, to assess these skills; however, in our opinion, these practical skills, which are difficult to assess on the CPA examination, should be developed and evaluated in IPD(3).

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<sup>15</sup> Excerpted from the press release, “The scope of the CPA examination,” published on June 20, 2025.

<sup>16</sup> A precedent for delegating the selection of elective subjects for examination content to a ministry ordinance is found in Article 10. (2).2 of the Patent Attorneys Act stating, “a subject that the examinee selects in advance from among the subjects related to technology or law that are specified by Order of the Ministry of Economy, Trade and Industry.”

## **(2) Competence development and assessment methods**

In the CPA examination, there are two tests: a multiple-choice test and an essay test. These examinations are designed to assess candidates' understanding of expertise and specific skills—such as logical thinking, judgment, practical skill, and writing skills.

While the multiple-choice test aims to assess the candidate's systematic understanding of "expertise," the essay test serves as the final assessment of knowledge and practical skills. The Committee deems these two-stage tests appropriate because the candidates' fundamental knowledge should be validated in the multiple-choice test, and their practical skills in applying that knowledge should be assessed in the following stage.

However, in practice, many candidates tend to focus more on the multiple-choice test than on the essay test. Amid the increased number of CPA examinees in recent years, the number of successful completions of the essay test has remained relatively unchanged, resulting in a lower pass rate for the multiple-choice test<sup>17</sup>. Accordingly, the Committee supports the policy of the Certified Public Accountants and Auditing Oversight Board (CPA AOB), stating that "it is desirable to increase the number of candidates sitting for the essay test (i.e., the number of candidates who pass the multiple-choice test and qualify to take the essay test) so that more examinees can take essay tests to promote appropriate competition among them<sup>18</sup>." Furthermore, the Committee believes that we should redesign specific subjects that currently do not require sufficient written answers into essay tests that demand both adequate quality and volume of written expression. The revision will help evaluate whether an aspiring CPA possesses the skills, including logical thinking, judgment, practical skills, and writing skills, described in IPD(1) identified in Section IV-1(2): Methods of competence development and assessment.

Regarding the examination methods, the CPA AOB has suggested introducing computer-based testing (CBT)<sup>19</sup>. The Committee also believes that CBT should be introduced not only for the CPA examination but also for the assessments in the Professional Accountancy Education Program and the Final Assessment. In introducing CBT, the following points should be considered to enhance the quality of assessment of skills such as logical thinking and practical skills:

- To include an extended essay to measure logical thinking (which is the original purpose of the essay test)
- To evaluate application skills to effectively refer to materials, rather than relying excessively on memory
- To incorporate data analysis tasks using Excel and other tools
- To establish an efficient and fair grading system, including the use of AI

The Committee believes that improving the quality of skill assessment through these measures will also enhance the evaluation of expertise.

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<sup>17</sup> In recent years, the pass rate for the multiple-choice test has ranged from 7% to 16%, while that for the essay test has been around 35%.

<sup>18</sup> On June 12, 2025, the Certified Public Accountants and Auditing Oversight Board published a press release, "Proposal for the review of the CPA examination."

<sup>19</sup> Same as footnote 18.

### **(3) Other (subject and content of CPA examination)**

The Committee discussed whether the current subjects and content of the CPA examination, particularly with respect to expertise, are appropriate for assessing the competences required of today's CPAs. We concluded that the present examination subjects and content adequately cover the fundamental scope of recent expertise. However, the following points should be considered:

- Inclusion of emerging areas of expertise, such as technology and sustainability
- Handling of elective subjects, such as whether economics should be mandatory
- Testing of competences other than expertise (e.g., English proficiency or skills)

Although no consensus was reached, some members noted that these competences could be assessed by adjusting the content within existing subjects, such as:

- Adding IT-related questions to auditing
- Adding sustainability disclosure topics to business administration or corporate law
- Including some multiple-choice questions in English<sup>20</sup>

The Committee considers it necessary to continue discussions with relevant authorities and stakeholders on examination subjects and methods, including potential CBT implementation and revisions under the Cabinet Office Ordinance.

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<sup>20</sup> In the first (multiple-choice) test of the Small and Medium Enterprise Management Consultant (SMEC) examination, the management law section requires candidates to answer questions in English regularly. In addition, the "Proposal of the review of CPA examination" (footnote 18) underscores the necessity for candidates to answer questions in English in the accounting and auditing subjects.

### **3. Development and Assessment of Practical Competence, skills, and Ethics Through Practical Experience, Professional Accountancy Education Program, and the Final Assessment: IPD(3)**

IPD(3) represents the core phase in which individuals develop their professional expertise and practical competence as CPAs. At this stage, close alignment between the competence development system and on-site practice is particularly critical.

The Practical Experience should not be viewed narrowly as a mere requirement for qualification that enables an individual to work as an advanced professional accountant. Rather, it is a valuable learning opportunity—something to learn from and integrate with expertise to further refine one’s professional expertise. Such experience not only supports each individual’s competence development but also, as the accumulation of many individuals’ growth, enhances the value of the CPA profession as a whole and helps to build public trust.

During IPD(3), practical experience, together with the Professional Accountancy Education Program, provides aspiring CPAs with a valuable opportunity to further develop their competences. The Professional Accountancy Education Program is a unique framework in Japan that combines practical experience with education and serves as an important bridge between theory and practice. The Final Assessment, designed in line with IES 6 on the assessment of professional competence, is the final opportunity to confirm that candidates have acquired the competences required to qualify as CPAs.

Based on this understanding, the Committee has examined which competences should be acquired during IPD(3), what kind of competence development and assessment structure should be put in place, and how relevant organizations and existing systems should work together.

#### **(1) Competences to be developed and assessed**

In IPD(3), while centering on IES 5, Practical Experience, it is required to develop content that primarily corresponds to IES 2, Technical Competence; IES 3, Professional Skills; and IES 4, Professional Values, Ethics, and Attitudes; and to conduct appropriate assessments in accordance with IES 6, Assessment of Professional Competence. At this stage, particular emphasis should be placed on developing core values represented by IES 2 through IES 4, which also form the basis of originality. This will enable CPD, which follows IPD(3), to function more effectively as the stage for developing each CPA’s originality.

Specifically, IPD(3) aims to develop the following competences:

- **Application of expertise**  
In IPD(3), practical application of expertise is essential. Candidates are expected to go beyond the knowledge tested in the CPA examination and, by combining it with their practical experience, understand not only the rules and procedures but also their underlying purposes, rationales, and broader social context. In reality, however, some candidates tend to treat rules as checklists and fail to grasp their essence, which may hinder the development of competences that should be cultivated through practical experience. Given that the professional domain of CPAs is expanding into non-financial areas as well, it is important to incorporate new topics in a timely and appropriate manner in order to help foster responsiveness to change and a commitment to continuous learning.
- **Practical skills**  
A variety of skills—such as conceptual skills, self-management skills, and human skills discussed in the Competency Report—must be cultivated. These skills are developed primarily in real-life work settings and refined through the Practical Experience and the Professional Accountancy Education Program, including seminars, discussions, and research projects.

- Values, ethics, and attitudes  
This category includes professional ethics, sound judgment, communication skills, and a self-directed learning attitude. These elements form the core of the CPA profession and should be fostered through every opportunity in the Practical Experience and the Professional Accountancy Education Program.
- Integration of competences  
It is essential to cultivate, in a well-balanced manner, the competences that integrate elements such as expertise, skills, and values, ethics, and attitudes, and to verify and assess them in a comprehensive way.

## **(2) Competence development and assessment methods**

In IPD(3), competence development and assessment are carried out in an integrated way through the Practical Experience, the Professional Accountancy Education Program, and the Final Assessment. The Practical Experience should serve as the main vehicle for competence development, with the Professional Accountancy Education Program supplementing any gaps in experience or knowledge, and the Final Assessment verifying the outcomes. As IES 6 requires a formal assessment of professional competence upon completion of IPD, an assessment framework aligned with IES 6 must be established.

- (i) Competence development through practical experience (including in-house training) and its assessment

During IPD(3), the Practical Experience should provide aspiring CPAs with opportunities to develop curiosity and a questioning mindset toward the background, objectives, and interrelationships of the matters they handle; to collaborate with others to overcome difficulties; and to engage repeatedly in trial-and-error efforts to resolve issues on their own<sup>21</sup>. In reality, however, increased workloads and time constraints may make it difficult to thoroughly explore the background of the issues encountered in practice or to repeatedly reflect on their essence. Therefore, the Committee recommends that organizations provide opportunities for aspiring CPAs to retrospectively reflect on their practical experience by asking questions such as: “What was the purpose of the procedures I performed?”, “What did I learn through my workplace experience?”, and “What challenges must I overcome to improve myself?” Repeated retrospective reflection is expected to instill a sustained attitude of self-inquiry and independent thinking.

These recommendations draw on the initiatives of the ICAEW. In the typical three-year practical work experience period, the ICAEW requires one-on-one meetings between aspiring ACAs and an authorized training employer (usually the employer or an equivalent) to discuss what aspiring ACAs have done and learned in practice, and to record these discussions. This process is repeated throughout the training period, enabling the assessment of competence not at a single point in time but over the long term and helping students develop a conscious attitude toward practice. From an assessment standpoint, this approach allows students to learn what it means to be a professional ACA and to identify areas for ongoing development and improvement. The ICAEW’s practical work experience program offers valuable insights into questions such as “How should aspiring CPAs accumulate practical experience on site?” and “How should employers provide assessment and feedback?”—questions that are not yet fully addressed in the Japanese competence development system when it comes to evaluating practical experience.

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<sup>21</sup> See IES 5. A4.

If only the qualitative aspects of practical experience are emphasized, the breadth and depth of experience may vary substantially depending on the diversity and complexity of assignments and roles, as well as the level of supervision or oversight, possibly resulting in unintended disparities in learning outcomes among individuals<sup>22</sup>.

To mitigate such disparities, the Committee proposes introducing quantitative criteria for practical experience. Under the current system, practical experience is classified into business engagement (for those working in companies, etc.) and internship (for those working at audit firms). For business engagement, the specific nature of the work must be reported at the time of registration, whereas for internship only limited information, such as the audited entity name and audit classification, is required<sup>23</sup>. Accordingly, the Committee proposes introducing a quantitative standard of 3,000 hours over three years for internship, with reference to overseas examples<sup>24</sup>. In implementing this standard, the JICPA envisions encouraging audit firms to adopt such criteria by issuing a recommendation. In addition, it would be effective to require more detailed reporting on the content of audit work performed—for example, experience in risk assessment and response procedures, forming audit opinions, communicating with clients, building teams, and working across different industries.

Through these measures, practical experience is expected to function more effectively as an opportunity not only for the practical application of expertise and the development of various skills, but also for strengthening the values, ethics, and attitudes required of CPAs.

(ii) Competence development and its assessment through the Professional Accountancy Education Program

The Professional Accountancy Education Program plays a key role as a bridge between theory and practice. The current lecture subjects mainly correspond to IES 2 (Technical Competence) and IES 4 (Professional Values, Ethics, and Attitudes). However, as non-financial information—such as sustainability-related information—and other socially important issues and challenges continue to evolve rapidly, it has become urgent to review and update the selection of lecture subjects and compulsory courses to ensure that they remain relevant and responsive to these developments<sup>25</sup>.

Seminars and discussions provide valuable opportunities to develop, in an integrated manner, the competences covered by IES 2 through IES 4. They enable participants not only to passively absorb knowledge but also to structure it proactively, discuss it with others, and connect it with their own practical experience.

Moreover, seminars and discussions are a critical opportunity to develop and assess non-cognitive skills that cannot be easily measured through the CPA examination or the Final

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<sup>22</sup> See IES 5. A5.

<sup>23</sup> See Article 4.2 of the Rules on Internship (Rules of the Certified Public Accountants Management Committee No. 7 of August 12, 1950)

<sup>24</sup> The committee discussed the quantitative standard and interviewed the audit firms regarding it. Many audit firms expressed concern that requiring more than 1,000 hours of practical experience per year from the first year would be too burdensome on students who passed the exam with limited working hours and on individuals in audit work who have not passed the essay test.

<sup>25</sup> Under the current system, the Professional Accountancy Education Program should offer more than 360 units, while trainees should complete at least 270 units. Before the pandemic, as lectures were primarily in person, trainees had to miss classes due to illness or work commitments. That's why there might be a gap between the units offered and those required to complete the program. However, as lectures are currently primarily delivered through e-learning, it is unnecessary to maintain such a gap (buffer). The buffer should be reduced further, although discussions have been underway to reduce the number of units offered under the Professional Accountancy Education Program (currently more than 420 units) to close to 360.

Assessment. At present, however, credits for seminars and discussions are granted solely on the basis of attendance. Going forward, the program should be redesigned in line with the spirit of IES 6 by requiring participants to demonstrate the quality of their contributions and depth of understanding, and by withholding credits where these are deemed insufficient. In addition, given the prevalence of e-learning and the resulting decline in interactive training opportunities, increasing the required credits for seminars and discussions (currently 30 credits) should be considered.

Tests and project studies are also structured to cover IES 2 through IES 4 in a comprehensive way, but their assessment methods have not yet been sufficiently systematized. For example, graders of project studies are not required to provide feedback, so in the Tokyo Practical Accountancy Education Program, where the number of trainees is large, only scores are provided and opportunities to identify personal areas for improvement are limited. Since the various skills developed through practical experience can be effectively assessed through multifaceted methods such as reflective activities, group work, written reports, presentations, and project studies, a systematic evaluation framework to support such methods should be developed.

The appropriate duration of the Professional Accountancy Education Program also requires further consideration. Currently, the program lasts three years<sup>26</sup>, the same period prescribed by law for practical experience. If more emphasis is to be placed on practical experience, one option would be to shorten the Professional Accountancy Education Program and allocate more time to on-site practice. Conversely, if the duration of the Professional Accountancy Education Program is kept aligned with that of practical experience, aspiring CPAs can bring their perspectives, skills, and knowledge gained from practice into the training environment for discussions and presentations, thereby promoting mutual learning and achieving broader and deeper educational effects. This issue therefore requires continued examination.

(iii) Final confirmation through the Final Assessment

The Final Assessment is the final gateway in IPD(3). It should not merely confirm the content covered in the Professional Accountancy Education Program, but comprehensively verify whether aspiring CPAs have attained the competences required of CPAs, based on their practical experience.

Regarding examination subjects, several points need to be considered: whether the questions sufficiently emphasize the evaluation of values, ethics, and attitudes; whether they adequately assess competences based on practical experience and training; and whether they are designed to evaluate new areas of professional expertise, such as non-financial information.

Regarding examination methods, candidates are currently not permitted to bring in statutes or other reference materials, and must write answers by hand, which is inconsistent with actual professional practice. In light of the objectives of IPD(3), these rules should be reviewed. Because the Final Assessment is intended to test the practical application skills gained through experience rather than rote memorization, allowing candidates to use statutes and other reference materials seems appropriate. Given that practicing CPAs normally use computers or other devices rather than handwriting, it would also be reasonable to introduce Computer-

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<sup>26</sup> Under the previous CPA system, the law and regulations stipulated the Professional Accountancy Education Program duration of one year. In contrast, the current system does not specify the duration by law, but the Professional Accountancy Education Program provision sets it at three years. Meanwhile, the required years of practical experience were increased from two to three as a result of the 2022 law amendment.

Based Testing (CBT). From the perspective of shifting to assessment methods that reflect real-world practice, the use of reference materials and the introduction of CBT should be examined.

Another challenge in the Final Assessment is evaluating non-cognitive skills, which are difficult to measure through written tests. A multi-dimensional assessment approach may be effective—for example, requiring reflective assignments based on practical experience or presentations on team-based problem-solving processes, rather than relying solely on traditional multiple-choice questions. Oral examinations are a useful option for assessing skills that cannot be measured on paper, but they also present operational challenges. Therefore, alternative methods that achieve similar effects—for instance, tests, project studies, seminars, and discussions—should also be explored.

In sum, an important issue in integrated competence development during IPD(3) is how to cultivate competences—including skills and non-cognitive skills such as values, ethics, and attitudes—through multiple systems (the Practical Experience, the Professional Accountancy Education Program, and the Final Assessment) and how to evaluate them comprehensively in accordance with IES 6. We should aim to establish a framework whereby these competences are developed in a well-balanced manner throughout IPD(3) and are appropriately assessed in line with IES 6.

### **(3) Implementation framework for competence development and assessment**

During IPD(3)—the period from passing the CPA examination to qualification—various organizations, including the JICPA, the Japan Foundation for Accounting Education & Learning (JFAEL), graduate schools of accountancy, and audit firms or other employers, provide aspiring CPAs with direct opportunities for competence development. Effective progress in competence development and assessment requires close collaboration among these entities.

When considering the introduction of a continuous evaluation framework throughout the practical experience period, similar to that of the ICAEW, it will be important to coordinate with employers such as audit firms that already use comparable mechanisms in their personnel evaluation systems.

The Professional Accountancy Education Program is offered through the Professional Accountancy Education Program operated by JFAEL, which is expected to foster interactive learning not only between instructors and trainees but also amongst trainees themselves. In addition, colleagues, senior staff, supervisors, and mentors, as well as the Professional Accountancy Education Program, play key roles in competence development. Aspiring CPAs are expected to bring what they have learned from their practical experience into the training setting so that trainees can learn from each other.

The Committee will continue to examine how competence development and assessment in IPD(3) should be implemented and, in cooperation with related committees, will work to translate these ideas into concrete initiatives by the JICPA and other stakeholders.

#### **4. Continuous Development of Professional Competence Post-Qualification in Response to Expanding and Deepening Expertise: CPD**

The professional fields in which CPAs work have become increasingly diverse, and their areas of expertise continue to expand and deepen. In this environment, merely holding a CPA qualification is no longer sufficient to maintain public trust. The Continuing Professional Development (CPD) system provides a framework that enables qualified CPAs to demonstrate lifelong responsiveness to change and a commitment to continuous learning, to expand and deepen their expertise and skills, and to continuously refine their values, ethics, and attitudes throughout their careers. This framework corresponds to the CPD standards stipulated in IES 7, Continuing Professional Development, and IES 8, Professional Competence for Engagement Partners Responsible for Audits of Financial Statements. As noted in paragraph 2 of IES 7, a wide range of activities beyond formal training—such as practical experience—are recognized as contributing to competence development. In line with this standard, Japan’s CPD system is shifting toward recognizing a broad range of professional activities as eligible for CPD credit.

The Committee supports this policy direction and has examined additional measures to further promote ongoing competence development in response to the expanding and deepening of professional expertise.

##### **(1) Report of the CPE System Review Project Team (Published March 31, 2021)**

In considering the future direction of CPD, the Committee reviewed the findings of the Report of the Project Team on the Review of the CPE System and subsequent initiatives.

The CPE system has been operated with the aim of enabling CPAs to fulfill their mission and professional responsibilities and to develop the competence necessary to improve the quality of audits and other services. However, in 2020, inappropriate practices—such as attending multiple programs simultaneously and watching e-learning programs at increased playback speed<sup>27</sup>—were identified. This prompted the establishment of the CPE System Review Project Team (the “Project Team”). The Project Team’s report, published in 2021, identified the underlying factors behind such inappropriate practices and summarized the institutional and operational issues as follows:

- i. Insufficient understanding of the purpose of CPE and the significance of making the CPE system a legal requirement
- ii. Inadequate credit-management mechanisms in light of the significant increase in membership over the roughly 20 years since mandatory CPE was introduced
- iii. Insufficient development of attractive training content tailored to members’ characteristics
- iv. Limited consideration of training effectiveness and participants’ needs
- v. Insufficient utilization of digital technologies

Among these, several reforms have already been implemented, mainly to address the first two issues through short-term measures, including:

- From fiscal 2023, enhancing the Continuing Professional Education (CPE) system into the Continuing Professional Development (CPD) system.
- Revising the Outline for Continuing Professional Education and issuing the new Outline for Continuing Professional Development. The new outline emphasizes that, to fulfill their mission

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<sup>27</sup> The Report of the CPE System Review Project Team defines the simultaneous attendance and fast-forward watching of e-learning programs as follows:

Simultaneous attendance: Actions to take more than several kinds of e-learning programs simultaneously by logging in twice at the same time.

Fast-forward watching: Actions to fast-forward e-learning training videos and complete the course in a shorter time than prescribed by using special functions of applications available on the internet.

and professional responsibilities, CPAs must continually cultivate an attitude of independent thinking, learning, and reflection, and must constantly strive to accumulate expertise. It also presents a fundamental CPD framework as a self-development cycle consisting of four elements: (1) Self-assessment activities; (2) Planning, undertaking, and recording learning and competence development activities; (3) Reflective activities; and (4) Revision of learning and development plans. This cycle is intended to be repeated continuously in pursuit of ever-higher levels of professional competence and to encourage CPAs to exercise responsiveness to change and a commitment to continuous learning after qualification.

- Amending the calculation method for credits: previously, any group session exceeding 30 minutes was rounded up to one credit. Under the new method, 30 minutes is counted as 0.5 credit, and any remaining time of less than 30 minutes is rounded down.

The Committee is continuing deliberations with these remaining, medium- to long-term issues in mind.

## **(2) Competence development methods for diverse career paths**

### **(i) Pursuit of originality**

After qualification, each CPA should determine what to learn, and at what depth, based on their professional field and career vision, and should select appropriate methods for competence development. This represents the pursuit of individual originality in line with increasingly diverse career paths and reflects the approach presented in the Vision Paper 2022. It also serves as a core element of the lifelong responsiveness to change and a commitment to continuous learning. To ensure that each individual can reliably acquire the necessary competences, the Institute must enhance and further develop its CPD system.

To support the expansion and deepening of professional expertise, the Committee has identified the following key issues:

- **Development of a systematic, well-structured curriculum**  
A multi-layered curriculum should be established by separating subjects into (i) basic subjects that all CPAs must study at a minimum and (ii) subjects tailored to members' practice areas, years of experience, and proficiency levels. In conjunction with this, mandatory subjects and required credits should be reviewed.
- **Enrichment of training content aligned with members' characteristics**  
To do so, participants' needs must be captured accurately and in a timely manner—for example, by analyzing data on the content of JICPA and firm-provided training and the number of participants. Based on this analysis, training content should be offered that is closely aligned with those needs. The JICPA need not design, develop, and deliver every program on its own; rather, it should collaborate with external organizations such as universities, accounting graduate schools, and the JFAEL. In some domains, particularly technology-related fields, external bodies, including overseas institutions, are already leading the development of training content, and their programs should be actively utilized.
- **Design of accessible and easy-to-select programs**  
At present, training programs are not systematically organized by difficulty level, which makes it challenging for members to select courses suited to their practical circumstances. Going forward, the recommended target audience should be clearly indicated for each program<sup>28</sup>.

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<sup>28</sup> The training programs planned and conducted by the Professional Accountants in Business (PAIB) Council specify, in advance for each session, the intended participants, skills, and targets. Similarly, the ICAEW designates course levels for

(ii) Continuous development of core values

Core values such as a strong sense of ethics, professional expertise, and broad knowledge are not fully developed by the end of IPD(3); they must be continuously refined after qualification. The key focus areas are:

- Professional ethics

Professional ethics is central to maintaining and enhancing the fundamental qualities of values, ethics, and attitudes, which constitute the core of CPAs' core values. The Committee considers ethics training to remain mandatory for all CPAs, as in the current system, and believes its content should be further enriched.

- Expertise

Expertise—particularly in accounting and auditing, which lie at the heart of CPAs' work—continues to evolve in response to social and economic change. Therefore, even after qualification, CPAs must identify the expertise which they are expected to possess, assess the gap between that level and their current level, and proactively engage in competence development to bridge that gap. Such activities are an essential part of post-qualification competence development. In particular, fundamental expertise that all CPAs should share ought to be designated as mandatory subjects, and reviewed regularly and in a timely manner to reflect environmental changes.

“Re-skilling” of expertise refers to competence development for CPAs who have temporarily stepped away from professional practice and seek to update their knowledge. This is a key element underpinning lifelong professional engagement as a CPA and should therefore be recognized as part of post-qualification competence development. To meet the needs of those wishing to relearn more basic subjects, the Professional Accountancy Education Program provided in IPD(3)—namely, the Professional Accountancy Education Program—may be counted toward CPD credits as re-skilling. However, in doing so, an upper limit should be set on the number of credits that can be earned through re-skilling, and participants should be required to provide an objective explanation of the reasons for taking such courses as re-skilling.

- General liberal arts

Similar to the re-skilling of expertise, general liberal-arts study—classified under “general education” among the five competences—should also be recognized as eligible for CPD credit for the following reasons. First, general education provides an important foundation for CPAs' lifelong professional activities and supports responsiveness to change and a commitment to continuous learning. Second, a broad liberal-arts background underpins CPAs' ability to demonstrate originality when collaborating with other professionals<sup>29</sup>. However, the scope of general-education activities to be recognized should be limited to those that can be objectively shown to contribute to the development and enhancement of professional competence in light of the individual's actual work.

(iii) Diverse approaches to competence development, including practical experience

As paragraph 2 of IES 7 states, practical experience is one form of competence development activity and, as in IPD(3), remains a key element of competence development after qualification. Practical experience gained during IPD(3) and that gained during CPD are not separate; they are continuous and mutually related. Learning through practical experience contributes to the competences of individual CPAs and, collectively, to the profession's body of knowledge. Such learning and development activities may take many forms, including mentoring and coaching,

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the major training programs, clearly identifying the targeted ACA. For details on the ICAEW's initiatives, see “1.4. Recent International Developments (United Kingdom and United States).”

<sup>29</sup> A person who possesses both deep expertise and skills in a specific field, as well as broad knowledge and general education, is sometimes referred to as a T-shaped professionals.

networking, observation, feedback, and reflective activities, as described in IES 7 paragraph 2. Accordingly, as in IPD(3), diverse and effective learning approaches beyond formal training should be actively pursued at the CPD stage as well. For example, the ICAEW recognizes on-the-job training (OJT) as eligible for CPD credit under certain conditions<sup>30</sup>. Secondments from audit firms to client companies, which some firms already implement, are also valuable learning opportunities.

Under the special provisions of the Registration System for Auditors of Listed Companies established by the Certified Public Accountants Act, engagement partners responsible for audits of listed companies must have at least three years of audit experience after CPA registration. In this context, the Committee recognizes the need for continued discussion on whether similar frameworks should be introduced for non-engagement partners or for engagement partners of non-listed company audits.

### **(3) Operation of the system to promote voluntary, self-directed competence development and the framework for credit recognition**

#### **(i) Self-declared learning system**

From fiscal 2025, the contents of the self-declared learning system were revised. The revisions broaden the range of self-development activities that can be recognized as CPD credits<sup>31</sup> and require members, when submitting declarations, to state not only an overview of the activity and its outcomes or reflections, but also its purpose<sup>32</sup>. In this context, “outcomes” refers to how the competence development has been, or will be, applied in professional practice, while “purpose” refers to the background, objectives, and specific competences that the individual aims to develop as a professional accountant. The main objective of this revision is to encourage CPAs to maintain an attitude of independent thinking, continuous learning, and self-reflection, thereby enhancing their originality and sustaining the self-development cycle. The Committee considers this particularly effective in strengthening CPA’s responsiveness to change and a commitment to continuous learning.

#### **(ii) Further utilization of the output-based approach**

Under the current CPD system, credit recognition is primarily input-based, converting training hours into CPD credits. For example, when professional accountants complete an e-learning program, one credit is granted for each hour of training in accordance with the Cabinet Office Ordinance, which provides that “one credit is equivalent to one hour of training conducted by lecture<sup>33</sup>.” However, from the perspective of conducting more effective competence assessment after qualification, as envisaged in IES 6, the Committee recommends introducing a more flexible framework that combines input-based and output-based approaches—for instance, using reports and tests to verify participants’ understanding—especially when seeking to foster independent thinking, continuous learning, reflective activities, and repeated self-development. It is not realistic to assume that all participants will achieve the same level of competence simply by committing the same amount of time to the aforementioned activities. The Committee therefore concludes that there is scope to review the current credit-recognition method by combining input-based and output-based approaches, such as confirmation tests. In fact, some e-learning programs provided

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<sup>30</sup> For details, see “1.4.Recent International Developments (United Kingdom and United States).”

<sup>31</sup> The forms of training eligible for the self-declared learning system under the CPD system are the following three categories: group training (training sessions organized by external organizations), self-study (including self-study using CPD-designated articles and professional literature), and writing of articles or books. (Articles 4–7 of the Detailed Regulations on the Continuing Professional Development System, amended February 17, 2023)

<sup>32</sup> The ICAEW has maintained its overarching principles that each member is responsible for determining and implementing what they need to develop. For details, see “1.4.Recent International Developments (United Kingdom and United States).”

<sup>33</sup> Article 1 (2) of the Cabinet Office Ordinance on Continuing Professional Education Prescribed in Article 28 of the Certified Public Accountants Act

by the Professional Accountancy Education Program and audit firms already require report submissions or confirmation tests, and these practices can serve as useful references in future discussions.

(iii) Enhancing training effectiveness and responsiveness to participants' needs

The revision of the CPD system based on the Project Team's report was largely prompted by insufficient consideration of training effectiveness and participants' needs (including satisfaction), which had reduced CPA's motivation to participate and fostered a sense of "going-through-the-motions." These factors may impede the development of responsiveness to change and a commitment to continuous learning, which form the foundation for CPAs' lifelong activities.

To address these issues, the Committee confirms that, following on from the Project Team's work, it should continue to examine measures such as the following:

- Introducing interactive (two-way) training formats  
Such formats can be highly effective when they align with the intended learning objectives, for example in improving professional ethics based on practical experience. They are particularly promising in CPD, where practical experience can serve as an important learning resource. However, they cannot function effectively unless instructors possess appropriate facilitation skills. Accordingly, the Committee proposes establishing a "Training Skills Committee" or similar body to systematically and organizationally enhance instructors' facilitation and teaching skills.
- Measuring participants' needs and satisfaction  
Measuring the extent to which training meets participants' needs and the level of their satisfaction will help foster an environment in which members voluntarily and proactively engage in self-development. Digital technologies should be used to increase survey response rates and to enhance the practical effectiveness of such initiatives.

(iv) Training providers and credit-recognition institutions

Training providers need not be limited to the JICPA. Collaboration with relevant organizations and active use of existing content developed by external institutions should be encouraged. Through such efforts, the Committee envisages that, over the long term, the JICPA should evolve—both in practice and in its legal status—from primarily being a training provider to focusing on credit recognition. This direction is also consistent with the philosophy of the IES, which promotes the use of diverse activities beyond formal training for competence development. However, in principle, the JICPA should continue to play a central role as the primary training provider in core areas of professional expertise for CPAs, such as auditing and ethics.

#### **(4) Designation of specialization**

To make CPAs' expanding and deepening expertise more visible and to further strengthen public trust, the Committee has considered introducing a system under which individual CPAs disclose their areas of professional expertise, and has discussed this with stakeholders, including audit firms. Based on these discussions, the Committee proposes, as a first step toward the designation of specialization, the introduction of a system for publicly disclosing CPD training records, separate from the current publication of firm information and compliance with CPD requirements<sup>34</sup>. This initiative would enable CPAs to communicate to society the extent to which they have developed expertise, values, ethics, attitudes, skills, and general education. It is also expected to motivate CPAs to engage in self-directed

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<sup>34</sup> On *the Benrishi-Navi*, the Japan Patent Attorney Search website, when users enter parameters such as a technical field or area of specialization, the registration number, name, and office of patent attorneys in that field are displayed. By clicking the details, we can see the individual's areas of expertise and professional experience, including their continuing training history. The Continuing Training Record Disclosure System provides not only the results of completed training but also details on the specific training programs they have taken.

learning, encourage active participation in training, and ultimately enhance public confidence in the CPA profession.

## Conclusion

This report has examined the need to develop the competences of CPAs in an integrated manner, from the perspectives of cross-system collaboration, stage-appropriate support and assessment, and accountability to society. In particular, the Committee has confirmed that every stage from pre-examination (IPD(1)) through to post-qualification (CPD) should be viewed as a continuous competence development process, and that strengthening the linkage between systems is essential for developing CPAs as trusted professionals. Based on this perspective, the Committee has systematically re-examined how professional competences should be developed and assessed at each stage.

At IPD(1), we highlighted the importance of forming a foundation of basic learning skills and non-cognitive skills. At IPD(2), we recommended reviewing the CPA examination, including more flexible operation of examination subjects and the introduction of CBT, given its central role in assessing expertise and applied abilities. At IPD(3), we proposed measures for developing practical competences through practical experience, the Professional Accountancy Education Program, and the Final Assessment—such as establishing quantitative criteria for internship and redefining the role of the Final Assessment. For CPD, we proposed a system design that provides diverse learning opportunities in response to the expansion and deepening of professional expertise and promotes continuous development through an established self-development cycle.

Realizing these recommendations will require ongoing dialogue and cooperation among all implementing bodies. By sharing a common philosophy and cross-system evaluation framework, we expect to enhance the connectivity of the overall system and achieve consistent support aligned with each stage of professional growth.

It should be noted that the discussions in this report assume the current scope of professional services defined in Article 2, paragraphs 1 and 2 of the Certified Public Accountants Act. Accordingly, if these legal provisions are revised and the scope of CPAs' services is expanded or redefined, the required components of professional competence will also need to change.

Finally, because competence development for CPAs must be reviewed continuously in light of changes in the environment surrounding the profession, the Committee proposes that its functions—as a special committee—be succeeded by a permanent body or function within the JICPA. In addition, it would be appropriate for the JICPA to formulate a roadmap and a policy for dialogue with relevant institutions to facilitate the implementation of the recommendations set out in this report.

**Appendix**

**Appendix 1: Recent International Developments (in the United Kingdom and the United States)**

1. The ICAEW Examination System in the United Kingdom (P.9, footnote 4)

(1) Current examination system



<https://www.icaew.com/-/media/corporate/files/learning-and-development/aca-syllabus/2025/aca-syllabus-handbook-2025.ashx> (P8)

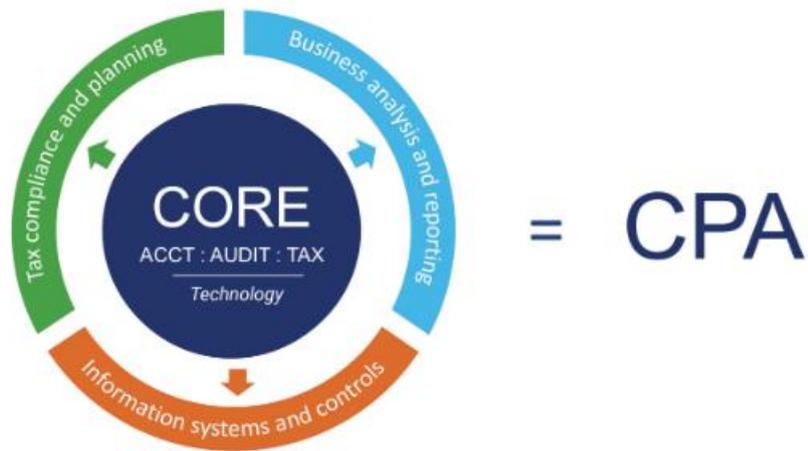
(2) New examination system



<https://www.icaew.com/-/media/corporate/files/learning-and-development/aca-employers/aca-training/icaew-next-generation-aca-overview.ashx>(P4)

2. Uniform CPA Examination (CPA Exam) in the U.S (P.11, footnote 8)

(1) New Model for CPA Licensure on and after January 2024



<https://evolutionofcpa.org/>

(2) CPA Examination Transition Policy

**Former examination system**

**Current examination system**



Edited based on <https://nasba.org/blog/2022/02/25/transition-policy/>

## Appendix 2: Interviews and Survey Conducted by the Committee

### 1. Individual interviews with experts

Purpose	To ensure a future in which CPAs continue to earn society’s trust, younger members and associate members feel hope and fulfillment, and talented and diverse individuals aspire to join the CPA profession, interviews were conducted with experts regarding the competences required at each stage, the appropriate approach to competence development, and the importance of general education.		
Interview details	Period	From February to April 2024	
	Interviewees	14	
	Category of interviewees	University professors: 5 Regulatory officials: 2	Preparers of financial statements: 2 Attorney-at-law: 1 Users of financial statements: 2 CPAs (not engaged in audit): 2
Topics	Competence development before sitting for the CPA examination	<ul style="list-style-type: none"> <li>• Required competence: English skills, basic knowledge of economics, and ethics</li> <li>• Educational background: Some say no educational background should be required to ensure diversity among CPAs, while others argue for alignment with college education.</li> </ul>	
	Competence development after passing the CPA examination and/or through CPD	<ul style="list-style-type: none"> <li>• Lacking competence: knowledge and skills in statistics, economics, programming, information processing, English, and finance</li> <li>• Field to be enhanced: expertise required for each practice for auditors, PAIBs, and Consultants</li> <li>• Experience in corporations: The importance of practical experience in corporations and personal exchange between audit firms and corporations is underscored.</li> </ul>	
	General education	<ul style="list-style-type: none"> <li>• Importance of liberal arts: Necessity to think on their own, obtain broader knowledge and general education</li> <li>• Need for special education: Opinions divide between proponents who support providing a special program for general education and opponents who claim general education can be attained through the role and practice.</li> </ul>	
	Strategic approach to competence development	<ul style="list-style-type: none"> <li>• The need to enhance the attractiveness of the profession</li> <li>• Developing talent such as signers capable of handling audits of large corporations from a long-term perspective (20–30 years ahead)</li> <li>• Importance of communication skills for engagement partners in interacting with corporate management</li> <li>• Need to define and communicate the desired profile of CPA professionals</li> </ul>	
	Expectation placed on the JICPA	<ul style="list-style-type: none"> <li>• Exercising leadership in capital markets through accounting and auditing</li> <li>• Efforts to enhance the social standing of accounting and auditing</li> <li>• Promoting understanding of the value of audits (including increases in audit fees)</li> </ul>	

## 2. Survey of younger members of the JICPA

Purpose	A survey was conducted among young CPAs who registered one to five years ago. The questions include: when and how they acquired the knowledge, skills, and experience that are useful in their current careers; what factors they consider important when making career choices; and what kinds of systems or training programs they deem necessary to realize their envisioned future career paths.	
Survey details	Survey participants	CPAs who registered from 2019 to 2023
	# of participants	5,516
	# of respondents	546 (9.9%)
	Period	From June 3 through June 24, 2024
Questions and results	What do you value in your career?	<ul style="list-style-type: none"> <li>• Various knowledge, skills, and experience</li> <li>• Flexible working time and places</li> <li>• Higher pay</li> </ul>
	What factors do you think are the most useful in your current career?	<ul style="list-style-type: none"> <li>• Study for the CPA examination</li> <li>• Practical experience before registration as a CPA</li> <li>• Practical experience after registration as a CPA</li> </ul>
	Which field do you think needs further development?	<ul style="list-style-type: none"> <li>• taxation</li> <li>• English</li> <li>• accounting</li> </ul>
	What do you imagine yourself doing in ten years now?	<ul style="list-style-type: none"> <li>• Play a managerial role in the current organization</li> <li>• Set up my own firm, such as an accounting firm</li> <li>• Find a new career and play a managerial role</li> </ul>
	For what purpose do you apply your competence?	<ul style="list-style-type: none"> <li>• Practical experience</li> <li>• Temporary transfer to outside of the current organization</li> <li>• Overseas assignment</li> </ul>
	What competences do you think are the most important for CPAs?	<ul style="list-style-type: none"> <li>• The ability to rapidly adapt to an ever-changing society. Attitude to continue self-study in response to the change</li> <li>• Core expertise required for the practice</li> <li>• Ability to understand other positions and opinions and think flexibly from multifaceted perspectives. A wide range of knowledge and culture underpinning the ability</li> </ul>
	What do you think is necessary to be reviewed or improved to enhance your competences?	<ul style="list-style-type: none"> <li>• Practical experience after registering as a CPA</li> <li>• Lectures in the Professional Accountancy Education Program</li> <li>• Practical experience before registering as a CPA</li> </ul>

### 3. Summary of comments on the Discussion Paper: The Development of Integrated CPA Competence

Period	August 30, 2024–October 31, 2024
# of respondents	32
Affiliation of respondents	Major audit firms: 10      SME audit firms: 1      Sole practitioners/CPA firms: 9      Corporation: 8      Other: 4
Major responses	<ul style="list-style-type: none"> <li>• The establishment of the Special Committee is significant.</li> <li>• To be registered as a CPA, an aspiring CPA must complete three examinations and assessments, including the CPA examination, an evaluation conducted through the Professional Accountancy Education Program, and the Final Assessment, in addition to at least three years of practical experience. Ideally, those examinations and assessments become progressively more challenging across the phases, and the assessment content shifts from theory to practice. These three should be viewed as a unified, inseparable framework.</li> <li>• Mutual recognition of CPA qualifications with other countries will be considered in the future. In that case, the JICPA should prepare in advance to ensure that the absence of formal educational requirements for examination eligibility does not put Japanese CPAs at a disadvantage.</li> <li>• A specific educational background as required in the previous system (e.g., a minimum number of university credits or a supplementary qualifying exam for those who do not meet the requirement) is necessary.</li> <li>• Unfortunately, there are not so many who maintain an interest in audit practice and wish to continue working in audit engagements. Making audit work a more attractive career path is an ongoing challenge for the industry as a whole.</li> <li>• One year of the Professional Accountancy Education Program is sufficient. Particularly, those employed by major audit firms are offered a lot of required training internally; therefore, mutual recognition of credits between the in-house training, such as audit practice and the Professional Accountancy Education Program could be appropriate.</li> <li>• I disagree with the idea of requiring practical experience as an eligibility requirement for the Final Assessment. The completion of the Final Assessment itself should display sufficient practical competence; therefore, we should assess practical competence without regard to formal years of experience.</li> <li>• As more CPAs are required to be specialized in specific fields, we need a credential system that identifies CPAs as experts in particular areas, as a reference to the system of medical specialists or certified physicians.</li> <li>• An enhanced variety of subjects in the curriculum is helpful. In Japan, sustainability assurance may need to be elevated to the level of financial audit in CPD programs.</li> <li>• Although many CPAs may pursue careers in specialized areas after registration, every CPA should continue to update their knowledge of fundamental areas such as accounting and auditing standards as a CPA, regardless of their specialization.</li> </ul>

4. Interview with audit firms

Purpose	Given the comment on the Discussion Paper: The Development of Integrated CPA Competence, the Committee learned about the nature of pre-qualification practical experience for CPA candidates and conducted interviews with audit firms regarding the designation of specialization, the relationship between training programs at audit firms and professional accountancy education programs, pre-qualification practical experience, and the importance of general education.	
Interview details	Period	From January 9 to 29, 2025
	Interviewee	Major audit firms:4                      Second-tier audit firms: 4                      SME audit firms: 3
Topics	Designation of CPA's specialization	<ul style="list-style-type: none"> <li>In general, the idea of disclosing the CPAs' expertise to enhance and maintain public trust was supported; however, the way of disclosure received some negative comments.</li> </ul>
	Redundancy of In-house training and Professional Accountancy Education Program	<ul style="list-style-type: none"> <li>While there is some overlap in content and timing between the in-house training provided by audit firms and the Professional Accountancy Education Program, this does not pose a significant issue for audit firms.</li> </ul>
	In-house training and CPD	<ul style="list-style-type: none"> <li>Currently, some global in-house training programs are not eligible for CPD credit, but this does not pose a significant problem.</li> </ul>
	Pre-qualification practical experience	<ul style="list-style-type: none"> <li>There is no substantial difference in the nature or quality of work performed before and after completion of the examination, except for certain firms hiring an aspiring CPA as an assistant.</li> </ul>
	Other	<ul style="list-style-type: none"> <li>Specific competence in emerging areas such as generative AI, IT general controls (ITGC), and information security should be developed before licensure.</li> <li>CPAs must learn sustainability before licensure.</li> </ul>

### Appendix 3: Summary of Major Recommendations

(In the “Timeline” column, “Short term” and “Medium to long term” are assumed to refer to “within the next few years” and “beyond that,” respectively.)

No	Proposal (* indicates proposals requiring amendment of laws and regulations)	Timeline	Reference Page
1	[CPA examination]* The Committee considers it appropriate that the authority to revise the subjects of the CPA examination be delegated to the Certified Public Accountant Examination Rules, a Cabinet Office Ordinance.	Medium to long term	P. 20
2	[CPA examination] The Committee believes that CBT should be introduced not only for the CPA examination but also for the assessments in the Professional Accountancy Education Program and the Final Assessment.	Short term	P. 21
3	[Practical experience in the stage of IPD(3)] The Committee recommends that organizations provide opportunities for aspiring CPAs to retrospectively reflect on their practical experience by asking themselves questions such as: “What was the purpose of the procedures I performed?” “What did I learn through my workplace experience?” and “What challenges must I overcome to improve myself?”	Medium to long term	P. 24
4	[Practical experience in IPD(3)] The Committee proposes introducing a quantitative standard of 3,000 hours over three years for an internship with reference to examples from other countries. To implement this proposal, it would be effective to require more detailed reporting on the content of the audit work performed.	Short term	P. 25
5	[Professional Accountancy Education Program] At present, credits for seminars and discussions are granted solely based on attendance. The Committee expects that the program will be redesigned in line with IES 6, <i>Assessment of Professional Competence</i> , by requiring participants not only to attend these sessions but also to demonstrate the quality of their contributions and the depth of their understanding, and by withholding credits where these elements are deemed insufficient.	Medium to long term	P. 26
6	[Final Assessment]* The Final Assessment is the concluding stage of IPD(3). It should not merely serve as a confirmation of the content covered in the Professional Accountancy Education Program, but rather play a comprehensive role in verifying whether aspiring CPAs have attained the level of competences required of CPAs based on their practical experience.	Medium to long term	P. 26
7	[Final Assessment] Concerning the examination methods, examinees are not permitted to bring in legal texts or use digital devices currently (handwriting only), which is inconsistent with current professional practice. The Committee suggests considering the use of legal texts and introducing Computer-Based Testing (CBT) as a means of transitioning to a practical assessment method.	Short term	P. 26

No	Proposal (* indicates proposals requiring amendment of laws and regulations)	Timeline	Reference Page
8	[CPD] At the post-qualification stage, each CPA should determine what and to what extent he/she should learn, and select appropriate methods of competence development based on each professional domain and career vision. To ensure that each CPA can effectively acquire the necessary competences, the JICPA must further enhance and strengthen the CPD system.	Medium-to-long term	P. 29
9	[CPD] The Committee recommends introducing a more flexible framework that combines the input-based and output-based approaches, using reports and tests to verify trainees' understanding. The Committee concluded that there is room to review the current credit recognition method by incorporating a combination approach that employs confirmation tests in the output-based approach.	Short-term	P. 31
10	[Designation of specialization] The Committee proposes to establish a system of disclosing CPD training records, in addition to the register of firm information and compliance status with CPD requirements, as the current system requires.	Short-term	P. 32