ACCOUNTING TECHNICIANS

2020 UPDATE: RECENT DEVELOPMENTS
ACKNOWLEDGEMENTS

The accountancy profession in or with an interest in Asia Pacific – CAPA is grateful to all the PAOs and other Accounting Technicians member organisations in or with an interest in Asia Pacific that provided Country Updates included in this publication. CAPA would also like to thank PwC Malaysia for sharing information in respect to their non-graduate recruitment program.

ABOUT CAPA

The Confederation of Asian and Pacific Accountants (CAPA) is recognised by the global accountancy profession, represented by the International Federation of Accountants, as a regional organisation representing national Professional Accountancy Organisations (PAOs) operating in, or with an interest in, the Asia-Pacific region. The national PAOs, collectively referred to as CAPA’s members, represent close to 2 million accountants across the world.

The mission of CAPA is to enhance the value of the accountancy profession in Asia Pacific by:

• contributing to the development of PAOs;
• promoting ethical values and the benefits of high-quality accounting, reporting and assurance; and
• speaking out as a voice of the accountancy profession.

ABOUT THE PUBLICATION

This publication is supported by the Member Development Committee (MDC) of CAPA providing valuable advice and oversight. The MDC is focused on the development of strong and sustainable PAOs through the identification, development and sharing of relevant knowledge, tools and guidance.

This publication and other development materials may be accessed and downloaded from the CAPA website at www.capa.com.my. Any comments on these publications or related materials should be directed to the CAPA Secretariat: admin@capa.com.my.

ENDORSEMENT

International Federation of Accountants (IFAC) – IFAC is the global organisation for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies.

A key focus area for IFAC is supporting the development of PAOs and their members. IFAC endorses the publication, which it recommends to those PAOs seeking to create, support, foster with, or otherwise assist with developing and strengthening the Accounting Technicians sector.
PREFACE
At the end of 2018, CAPA issued a publication that considered the Accounting Technicians (AT) sector or the “workforce (bookkeepers) supporting the analysis and preparation of financial information at an operational level”. The publication was in part informed by a 2016 CAPA Survey of Professional Accountancy Organisations (PAOs) throughout Asia Pacific which collected information about the availability of AT or similar programs and qualifications within their jurisdiction. The aim of the publication was to encourage PAOs throughout the Asia-Pacific region to consider the importance of ATs or equivalents in their respective jurisdictions. As indicated in the publication, PAOs were encouraged “to consider whether and how they might create, support, partner, lease, sell or otherwise assist with developing and/or strengthening an AT (or equivalent) cohort within their country”. The publication also sets out the nature of the AT sector in a number of jurisdictions in the region.

In summary, it defines important terminology, followed by ‘WHY’, ‘WHAT’ and ‘HOW’ sections. The ‘WHY’ section discusses the case for considering the topic of ATs. It outlines the benefits to economies, governments and businesses, and individuals that pursue such a career. It also sets out why it benefits the public interest and can strengthen the accountancy profession.

The ‘WHAT’ section expounds on the design and implementation considerations for an AT program, including describing the various organisational arrangements that exist, often dependent on national, economic, regulatory, cultural and historic variables. While recognising alternative models do exist and can evolve for an AT program, the publication identified four (4) models, namely:

- Separate organisation sponsored by a national PAO
- AT segment embedded within a national PAO
- Separate organisation established independently of any national PAO
- Partnering with others to deliver an AT program

The ‘HOW’ section provides details regarding the organisational arrangements and AT or equivalent programs in eleven (11) countries.

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The publication is designed for PAOs and stakeholders to increase their understanding of:

- The AT sector, the services it provides and the benefits it brings
- The various operating models and programs that exist
- Potential opportunities for PAOs, including either developing or sustaining the AT sector

It concludes by encouraging PAOs to consider the situation in their own jurisdiction and whether further development of the AT sector could result in the suggested benefits.

Stakeholder Interest

The World Bank in many of their Reports on the Observance of Standards and Codes (ROSC) for Accounting and Auditing for various countries have underlined the importance of a mid-tier accountant stream for both the corporate and public sectors. This is particularly applicable in developing and emerging economies where access to a sufficient volume of well-trained finance personnel can be challenging. Such accountants can be vital components in the professionalisation of the public sector and implementing public financial management reforms necessary to support economic development.

The importance of this segment was further highlighted when IFAC, in partnership with AAT in the United Kingdom, issued ‘An Illustrative Competency Framework for Accounting Technicians’ in February 2019, which laid out the foundations of the skills required by all aspiring ATs to allow different entry points into the accountancy profession and the opportunity to progress within it. The framework offers an understanding of what ATs may be expected to know and do as part of their role, raises awareness of the importance of ATs in the corporate and public financial supply chain, and recognises the increase in their global recognition.

Diagram 1: Nine characteristic of an AT program

The Association of Accounting Technicians
The 2020 Update

CAPA was interested to understand if there were, and the nature of, any developments since the issue of ‘Accounting Technicians – Exploring Opportunities for the Profession’ in 2018. We were aware of some exciting developments taking place in certain jurisdictions. The follow-up exercise therefore set out to gather details regarding any developments, and as applicable, to identify any key trends or messages.

This 2020 Update report sets out our findings, and in particular identifies a number of ‘influencing factors’ that lead to decisions regarding if and how the AT sector develops in a particular context. This Appendix section provides a total of nineteen (19) Country Updates, nine (9) of which were updates of Case Studies contained in the 2018 publication, with the remainder from countries not included in that publication. These latter inclusions contain background information as well as details of the more recent developments.

We hope this report will contribute towards further conversations as PAOs explore and consider potential opportunities in the AT sector.

PREFACE

The Future of the AT Sector

The accountancy profession is continually changing. Stakeholders of all types, including the public, are demanding a wider range of information upon which to take decisions. The traditional roles of accountants and auditors are therefore being challenged. Further, in the digital economy, the volume of available data and information is immense and technology now features significantly in the work of the accountant. Central work undertaken by accountants, for instance the manipulation and analysis of data, can now be handled by technology, including artificial intelligence. This has led some to question the future of accountants currently performing such tasks, and in particular the AT.

It is difficult to know what the future will hold and the research in this area is limited. However, the Association of Accounting Technicians in the United Kingdom (AAT UK), in conjunction with Nottingham Business School at Nottingham Trent University, conducted some largely UK-based research in 2019 to consider ‘the future of ATs’.

The research confirmed that technology, manifested in cloud computing, artificial intelligence and blockchain, will undoubtedly impact and shape the role of the AT in the future. However, only 15% of the 500 respondees to the survey thought that most of the tasks performed by ATs will be automated, with 80% suggesting some of the tasks would be. The inference is that ATs will still be needed, however to maintain relevance, they will need to adapt and evolve.

The survey revealed that the following skills will be most important for ATs to be successful in the future employment market – basic accounting, communication, ethics, corporate governance, IT, data analysis, strategic thinking, problem solving, and forensic.

ATs are often regarded as providing cost-effective services to organisations and playing an important support role to professional accountants. It would appear unlikely that these attributes will change whilst the whole continuum of the wider accountancy profession expands and changes. This statement is perhaps supported by some widespread developments in various countries, supported by an increased focus on school leavers and apprenticeship schemes, and an increased focus on diversity and inclusion. The key developments include:

• large accountancy firms are no longer focussed on ‘graduate only’ talent pools;
• small and medium-sized businesses are gaining increased recognition in their contribution to economies and the need for them to be efficient and effective; and
• there are increased calls for the public sector to ‘professionalise’.

These are all developments ‘ripe’ for well trained, cost-effective, finance professionals.

INSIGHTS

The 2020 Update

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INSIGHTS
In some jurisdictions, PAOs have either embarked on an AT journey or are fine-tuning and recalibrating their existing AT program. The rationale behind these journeys are varied – from addressing and catering to market needs, to the professionalisation of the segment both in corporate and public sectors, to the more noble intent of supporting social mobility. Some PAOs noted that demand increased exponentially when legal and market recognition came into place.

In contrast, in other jurisdictions there is simply no immediate demand or need for a ‘professionalised’ mid-tier sector of accountants. Further, it could be questioned as to whether there is a willingness to create such a supply. This may be the case where a successful accountancy ecosystem is deemed to already exist without a specifically recognised AT cohort.

Government policies and economic models can play a vital role in influencing the direction of development. Where governments are pushing for accountancy reforms, whether in the public or private sectors, and where the value of a mid-tier accountancy stream is considered important, the AT segment is supported and thrives better.

The findings provide a diverse range of insights.

The diversity of insights and perspectives from the dialogues is an indication that there is no one answer to any development related decisions. It was evident that what will work in some jurisdictions may not be right for others. Conversely, it was also possible to adapt and learn from organisational best practices.

Based on our observations, the five (5) factors in Diagram 2 would appear to have influence over development decisions taken in regards to the AT segment.

The factors may interweave and are complex. In some jurisdictions, decisions are based on several influencing factors whereas in others, a singular factor drives the decision. However, by exploring them, from the perspective of a Demand and Supply spectrum, CAPA aims to provide information to support conversations leading to decisions and/or initiatives being taken by PAOs.

### Development Decisions: Influencing Factors

Current human resource management strategies gravitate towards the diversification of human capital. Studies show that diversity enhances organisational effectiveness by creating a culture of plurality and tolerance. Such a culture is believed to promote collective and better decision making through multiple viewpoints.

1. Market Trends and Recognition

   - Opportunity for Consideration
     - How are employment trends being addressed or supported, especially when apprenticeships or human resource management strategies focusing on diversification are on the rise?
     - Should there be initiatives to engage with employers and recruitment agencies to raise awareness of the benefits of a professionalized AT segment and the contribution they make to businesses and government?
     - Does the PAO need to implement initiatives to drive market recognition?
     - Has due consideration been given to supporting the demand created by industry trends such as MBOs, shared or co-sourcing services?
     - Should the AT sector be positioned to support areas beyond their traditional scope such as corporate compliance and data analytic functions?

### Diagram 2: Five factors that influence decisions to develop the AT sector

- **Demand Factors**
  - Market Trends
  - Professionalization of Small & Medium-sized Enterprises
  - Public Sector
  - Legal and/or Market Recognition
  - Government Policy Agenda

- **Supply Factors**
  - Historical Institutional Arrangements
  - A Motivated PAO

CAPA's earlier publication, these are the “tools of tasks typically performed by the AT sector.”

Recent employment trends in some countries represented by CAPA members have spotlighted the propensity of employers, especially those providing professional services, towards attracting and securing high school leavers. Traditionally, the focus or entrance entry requirement would be tertiary levels. Large accounting firms have been identified that may recruit non-graduates, some with AT qualifications, or support their staff to undertake such qualifications. This trend is helped further along where apprenticeship schemes, especially those supported by government fiscal policies, are available.

Also, industry moves towards Business Process Outsourcing (BPO), and shared or co-sourcing services, have actually given rise to an increase in demand for finance and accounting or tax compliance routine tasks. As pointed out in CAPA’s earlier publication, these are the “tools of tasks typically performed by the AT sector.”

Such trends can lead to ‘market recognition’ – at which point an effective underlying endorsement of the role and value of ATs is established.

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Yes, overall, the program has been a success. The EWYL group has grown in size, from a limited small group of trainees in 2011 to over 200 trainees today. The trainees receive financial support and time-off to complete their professional accounting qualification papers, while earning a salary and gaining work experience. The EWYL program has not only provided many non-graduates with the opportunity to kickstart their careers but also to further their personal development and career progression.

Case Study: PwC Malaysia’s Non-Graduate Recruitment Program

The program commenced in 2011 with a small group called “Trainee Associates” based in Kuala Lumpur to offer Assurance trainees with tasks involving checking on financial statements and preparing bank reconciliations. The trainees had opted, for various reasons, not to pursue a degree program or complete professional accounting courses. Program applicants were school leavers at STPM level or equivalent, those with Certified Accounting Technician qualifications, or Diploma holders. Subsequently renamed as “Earn While You Learn” (EWYL) program in 2018 and further expanded in other states, the focus of the tasks broadened, and a few years later, the Trainee program became a structured program.

The trainees receive financial support and time-off to complete their professional accounting qualification papers, while earning a salary and gaining work experience. Trainees can opt for a range of studies and it is their choice how far they take their studies. The trainees receive financial support and time-off to complete their professional accounting qualification papers, while earning a salary and gaining work experience. In return, we are able to nurture them into valuable and strong professionals. The EWYL program has not only provided many non-graduates with the opportunity to kickstart their careers but also to further their personal development and career progression.

The EWYL program’s focus has not only been to provide a pathway for those who may not have the opportunity to pursue an accounting qualification or degree. It is also their choice how far they take their studies. The trainees receive financial support and time-off to complete their professional accounting qualification papers, while earning a salary and gaining work experience. Trainees can opt for a range of studies and it is their choice how far they take their studies. The trainees receive financial support and time-off to complete their professional accounting qualification papers, while earning a salary and gaining work experience. In return, we are able to nurture them into valuable and strong professionals. The EWYL program has not only provided many non-graduates with the opportunity to kickstart their careers but also to further their personal development and career progression.

4. Where from here?

We are continuously looking at ways to improve the EWYL program. One main area we are looking at is to expand the size of the EWYL group, allowing more people with different backgrounds and experiences. We are pleased to see this as a way to support school leavers who may not have the opportunity to pursue an accounting qualification or degree. We also continually review the current path of Trainee Associates to ensure that their role remains relevant to the business and is meaningful for their growth.

5. Can you share the personal experience of one trainee?

One of our current managers joined us as part of the first group of Trainee Associates back in 2011 after completing her STPM. She comes from a humble background and worked hard to juggle her studies and job, subsequently completing her professional papers in February 2019. She was promoted to manager in July 2019. She is now not only proud to continue the journey of the first group of Trainee Associate but is also one of the most successful Trainee Associates as she is able to bring her whole family on a holiday, something which they never had the luxury to do before.

Developing, growing and managing sme and government sectors, both aiming to ‘professionalise’, can therefore be key factors in the development of the smes and the public sector.

Opportunities for Consideration

2. Professionalisation

Opportunities for Consideration

- There is a need to engage with appropriate sme/zms and organisations representing these groups, to support their professional journeys.
- There is a need to recalculate existing sme programs to meet the current market realities
- There is a need to advocate for the upskilling of the public sector and the use of an sma program in the public sector.
- There is a need to support SMEs with their professionalisation

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4. Historical Institutional Arrangements

Existing organisational arrangements often reflect the legacy of the past. In this regard, some PAOs came into existence to support those providing audit and assurance services. These would be regarded as the professional accountants. Over time, this term would be extended to others that undertake the same educational and qualification programs. For some PAOs, the benefits that can derive from the existence of an AT or equivalent sector within their remit may be significant. For others, such institutions may have existed without any consideration given to coordinating or establishing any linkages between the two separate cohorts. In other cases, the professional accountants may seek to be incorporated or provided as options, alongside core AT programs. These persons often worked in the private sector, taking responsibility for the preparation of financial statements. In due course, professional accountants may work in a wide variety of roles, including, albeit often to a much lesser extent, in the public sector. The common characteristic was the qualification, established at a level which would demonstrate high technical competence and other skills.

Bookkeepers or similar mid-tier accountants providing other accountancy related services, often in an informal style, have had concerns to make any changes that would involve developing and recognising an AT sector. For a variety of reasons, such institutions may have come under the purview of a different body or organisation. These persons often worked in the private sector, taking responsibility for the preparation of financial statements. In due course, professional accountants may work in a wide variety of roles, including, albeit often to a much lesser extent, in the public sector. The common characteristic was the qualification, established at a level which would demonstrate high technical competence and other skills.

• Should pathways from mid-level accountancy qualifications to professional accountancy qualifications be considered or established?

As in most open market economies, market demand is a key factor influencing development decisions. In some markets, the mid-level accountancy qualification appears to be already well- served by existing programs or qualifications outside the PAOs’ scope of operations. In other instances, PAOs are reviewing existing AT programs and contemplating sessions to such programs to meet current market needs. Consideration is also being made in several markets for pursuing mutual recognition with PAOs outside national borders. The reasons include enhancing the value of the existing qualification or membership and allowing for cross-border mobility. The AT sector also presents a business opportunity for the PAOs in many markets – from launching a new AT or equivalent level program, to issuing an annual license to provide public practice services, and to introducing a new membership tier. The latter includes the potential for offering other member services such as CPD trainings or specialist upskilling certifications.

Opportunities for Consideration

Concluding Remarks

CAAn continues to encourage PAOs to consider their approach to the AT segment in the context of their own national market and regulatory structures, taking into account their respective development stage and access to resources. Whether a market is well served by the status quo or whether further action needs to be undertaken, the fundamental question remains – PAOs, and the accountancy profession they seek to advance, must consider how the public interest is best served.

For some PAOs, the benefits that can derive from the existence of an AT or equivalent sector within a structured framework, are clear. Whether the operational arrangements or model adopted is one that brings the cohort within internal or external structures, it is proposed that a well-structured accountancy ecosystem serves the public interest. It provides the ability to better regulate the group, including ensuring compliance with a Code of Conduct; and furthermore, the AT cohort can represent a natural and potential talent pipeline into professional accountancy and thereby further increase and strengthen the overall quality of available finance personnel.

• Should there be consideration or discussion of mutual recognition by other PAOs, to increase the value of membership and allow for greater mobility?

• Should partnership possibilities be explored to introduce or strengthen the AT sector in the country?

CAPA continues to encourage PAOs to consider their approach to the AT segment in the context of their own national market and regulatory structures, taking into account their respective development stage and access to resources. Whether a market is well served by the status quo or whether further action needs to be undertaken, the fundamental question remains – PAOs, and the accountancy profession they seek to advance, must consider how the public interest is best served.

Any decision to support the development of an AT sector should be considered from the perspective of this ‘bigger picture’ and whether public confidence will be enhanced by an apparent stronger and more cohesive accountancy ecosystem that serves all segments of the market.

4. Historical Institutional Arrangements

Existing organisational arrangements often reflect the legacy of the past. In this regard, some PAOs came into existence to support those providing audit and assurance services. These would be regarded as the professional accountants. Over time, this term would be extended to others that undertake the same educational and qualification programs. For some PAOs, the benefits that can derive from the existence of an AT or equivalent sector within their remit may be significant. For others, such institutions may have existed without any consideration given to coordinating or establishing any linkages between the two separate cohorts. In other cases, the professional accountants may seek to be incorporated or provided as options, alongside core AT programs. These persons often worked in the private sector, taking responsibility for the preparation of financial statements. In due course, professional accountants may work in a wide variety of roles, including, albeit often to a much lesser extent, in the public sector. The common characteristic was the qualification, established at a level which would demonstrate high technical competence and other skills.

Bookkeepers or similar mid-tier accountants providing other accountancy related services, often in an informal style, have had concerns to make any changes that would involve developing and recognising an AT sector. For a variety of reasons, such institutions may have come under the purview of a different body or organisation. These persons often worked in the private sector, taking responsibility for the preparation of financial statements. In due course, professional accountants may work in a wide variety of roles, including, albeit often to a much lesser extent, in the public sector. The common characteristic was the qualification, established at a level which would demonstrate high technical competence and other skills.

• Should pathways from mid-level accountancy qualifications to professional accountancy qualifications be considered or established?
are three (3) levels of membership: Student, Affiliate and Member. Student membership is professional association for bookkeepers and accounting technicians in Australia. There Formed in 2002, the Association of Accounting Technicians in Australia (AAT Australia) is a AAT Australia Financial Accountants in the United Kingdom came together. With a combined membership of more The IPA Group was formed in 2015 when the Institute of Public Accountants (IPA) and the Institute of Background AUSTRALIA APPENDIX: COUNTRY UPDATES will exist between the CAT and IPA programs. will be delivered online and will include a hybrid of online and other assessments. A pathway A new certification program, a “Certified Accounting Technician” or CAT program, will be offered by the IPA Group. The CAT members, while retaining their existing membership of AAT Australia. A new certification program, will be delivered online and will include a hybrid of online and other assessments. A pathway a “Certified Accounting Technician” or CAT program, will be offered by the IPA Group. The CAT will be delivered online and will include a hybrid of online and other assessments. A pathway will exist between the CAT and IPA programs.

Level 4 of the Australian Qualification Framework or equivalent to 6-12 months of a degree study. Effort is being made to move theory classes and assessment into a virtual environment and KICPAA plans to introduce online tuition support before the end of 2020. The first two (2) papers were to be offered from January 2020, with the first examinations in June 2020. However, due to the COVID-19 pandemic, these examinations were postponed. Nearly 300 individuals have attained FIA qualifications over the last three (3) years, of which Editors note: 56% continued on with full professional qualification studies. Further, in recent years, partnerships have been formed with several universities at unqualified local practitioners. Take the qualification as part of degree foundation studies. Plans to market the ATQ include Effort is being made to move theory classes and assessment into a virtual environment and KICPAA plans to introduce online tuition support before the end of 2020. A pathway exists for the “Advanced Accountants” to the CPA examination organised by the Certified Public Accountants (CPA) system has prevailed in China since 1980. There is an advisory group consisting of academia and other key stakeholders have recommended that the 

CamEd, including the ACCA CAT syllabus, is still available. Further, in recent years, partnerships have been formed with several universities in Cambodia to embed ACCA Foundations in Accounting (IPA), which is a pathway of level assessments, and to conduct the ACCA CAT examination in the country. Students registered under this scheme take the ACCA Certified Technician (CAT) program in Cambodia. The CAT syllabus was embedded into the Bachelor degree course in Accounting and Finance of CamEd – a private business school accredited by the Ministry of Education, Youth and Sport (Cambodia). The Bachelor degree course in Accounting and Finance of CamEd – a private business school accredited by the Ministry of Education, Youth and Sport (Cambodia). The Bachelor degree course in Accounting and Finance of CamEd – a private business school accredited by the Ministry of Education, Youth and Sport (Cambodia). The Bachelor degree course in Accounting and Finance of CamEd – a private business school accredited by the Ministry of Education, Youth and Sport (Cambodia). The Bachelor degree course in Accounting and Finance of CamEd – a private business school accredited by the Ministry of Education, Youth and Sport (Cambodia). The Bachelor degree course in Accounting and Finance of CamEd – a private business school accredited by the Ministry of Education, Youth and Sport (Cambodia). The Bachelor degree course in Accounting and Finance of CamEd – a private business school accredited by the Ministry of Education, Youth and Sport (Cambodia). The Bachelor degree course in Accounting and Finance of CamEd – a private business school accredited by the Ministry of Education, Youth and Sport (Cambodia).
Recent Developments

A decision has been taken to offer the CAT program through the “Association of Accounting Technicians” (AAT), a subsidiary company of ICAI-CMA. Further, there are also plans to work with the governments of the different states in India to roll out tailored CAT programs which meet specific economic and industry-based needs in those states. Currently, negotiation is underway with the Department of Higher Education in Jammu & Kashmir to sign an MOU to offer the CAT program as part of the ASAP in the UT.

After discussions with CAPA, it is understood consideration may now be given to:

• Admitting CAT holders to membership at AAT, thus providing membership benefits as well as obligations such as CPD requirements and compliance with a Code of Conduct.
• Further exploring opportunities to recognise the CAT program with other PAOs both nationally and internationally.

APPENDIX: COUNTRY UPDATES

JAPAN

Background

In Japan, there is a specific credential for bookkeeping issued by the Japan Chamber of Commerce and Industry (JCCI), a network that comprises, and operates for, national economic organisations mainly from the SME sector.

JCCI administers examinations and issues a certificate on successful completion of the examinations. JCCI does not offer training programs for the examination. Further, it is not an organisation for which the individuals then become members, and hence there are no ongoing membership-type requirements e.g. CPD.

This bookkeeping credential is very popular and is a gateway to entering the accounting and finance sector.

The qualification has four (4) levels ranging from Level 4 which is an introduction to bookkeeping, to Level 1 which covers advanced business and cost accounting as well as commercial bookkeeping. Level 1 is a well recognised and reputable qualification for accounting in Japan but holders of the qualification are not eligible or licensed to perform tax and/or audit related services. Level 1 holders may apply for admission to undertake a Tax Accountant qualification but not the CPA qualification.

Recent Developments

The Japanese Institute of Certified Public Accountants (JICPA) has not taken any specific action in relation to ATs and do not have any plans to develop a program and designation.

FIJI

Background

Affiliate Accountants form the first-tier of Fiji Institute of Accountants (FIA) membership from which there is a clear route to full membership as a professional Chartered Accountant.

Proposed legislation by way of a draft Bill was finalised in 2017. It provides for statutory recognition of Affiliate Accountants as Accounting Technicians.

Recent Developments

The Draft Bill is still to be tabled by the Fijian Parliament. At this stage, it is likely to be moved from the 2020 Parliamentary agenda to that of 2021.

FIA’s engagement with the Government on this proposed new FA Act is ongoing.

INDIA

Background

The Certificate in Accounting Technician or CAT program was introduced by the Institute of Cost Accountants of India (ICACMA) in 2008 in consultation with the Ministry of Corporate Affairs. The program is therefore recognised in India by various state governments under their different development programs. The underlying objective of the program is to empower the younger generation. CAT holders typically perform entry-level accounting tasks at the MNCs, Small and Medium Enterprises (SME) sector. Total admission to the program exceeds 30,000 in a year.

The CAT program, offered through 400 centres across the country, is a one-year employment-oriented program consisting of two (2) levels: Foundation and Competency. Admissions and examinations are conducted online. An intensive period (total experience of 45 days) is required at ICACMA approved organizations, prior to the issue of a certificate. There is currently no separate category of membership or recognition of CAT holders.

Several targeted projects and initiatives have been rolled out since the program commenced, to focus on developing employable skills among youths under the ASAP initiative.

• Additional Skills Acquisition Program (ASAP)
  - Many state governments and Union Territories (UT) in India are responding to the federal government’s call to focus on developing employable skills among the youths under the ASAP.
  - Kerala and other states have approached ICACMA to offer the CAT program under the ASAP initiative.
  - In Jammu & Kashmir and Ladakh UT, the first batch of CAT students received a full fee waiver while several other regions and/or states are granted 50% fee waivers by ICACMA.

• SHE Skill Program – a CAT program directed at women empowerment was launched by the Institute in 2019.

On successful completion of the CAT examinations, the incumbent is eligible for admission into the Intermediate level of the ICACMA course.

Recent Developments

A decider has been taken to offer the CAT program through the “Association of Accounting Technicians” (AAT), a subsidiary company of ICACMA. Further, there are also plans to work with the governments of the different states in India to roll out tailored CAT programs which meet specific economic and industry-based needs in those states. Currently, negotiation is underway with the Department of Higher Education in Jammu & Kashmir to sign an MOU to offer the CAT program as part of the ASAP in the UT.

After discussions with CAPA, it is understood consideration may now be given to:

• Admitting CAT holders to membership at AAT, thus providing membership benefits as well as obligations such as CPD requirements and compliance with a Code of Conduct.
• Further exploring opportunities to recognise the CAT program with other PAOs both nationally and internationally.

On successful completion of the CAT examinations, the incumbent is eligible for admission into the Intermediate level of the ICACMA course.
**APPENDIX: COUNTRY UPDATES**

**KOREA**

**Background**

An AT qualification, under the umbrella of the Korean Institute of Certified Public Accountants (KICPA), was officially recognized by the Financial Services Commission at the end of 2015. To be officially recognized by the government, and to also meet market needs, KICPA structured the AT certificate into two (2) streams: FAT (Financial Accounting Technician) and TAT (Tax Accounting Technician).

A certificate is awarded on successful completion of the AT examinations. In 2019, the number exceeded 60,000. Since the program was officially recognized there has been a significant increase in the number of candidates taking the AT examinations. In 2019, there are no provisions in the Accountants Act in Korea to legally recognize an AT or equivalent designation, or class of membership.

**Recent Developments**

- The MIA CFM document was released to the public in July 2020.
- In accordance with the MIA CFM, the “Accounting Technician” class of membership is introduced for the accountancy profession in Malaysia. The former consists of 4-year degree graduates and the latter are degree holders who have passed the CPA examinations and have been admitted as members of the Malaysian Institute of Certified Public Accountants (MICPA).

**MALAYSIA**

**Background**

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- To be officially recognized by the government, and to also meet market needs, KICPA structured the AT certificate into two (2) streams: FAT (Financial Accounting Technician) and TAT (Tax Accounting Technician).

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**MONGOLIA**

**Background**

- Following transition to a market economy in 1990, the accounting profession in Mongolia has been governed by the national law of Accounting. This law establishes that the responsibility for bookkeeping and the issuing of financial statements rests with either the professional accountant or entity's public accountant. The former consists of 4-year degree graduates and the latter are degree holders who have passed the CPA examinations and have been admitted as members of the Mongolian Institute of Certified Public Accountants (MonICPA).

Mongolia has approximately 25 universities offering bachelor in accounting or equivalent programs. The overall cost of such programs is very low and accessibility is high. Degree holders are well sought after by employers.

Degree graduates will initially carry out the bookkeeping or lower level tasks and may take the CPA examinations at MonICPA to progress their careers. A minimum of two (2) years of relevant practical experience, as well as the need to comply with recognised CPD and Code of Conduct requirements as set by MonICPA.

In accordance with the MIA CFM, AT members will have theoretical education and two (2) years of relevant practical experience, as well as the need to comply with recognised CPD and Code of Conduct requirements as set by MIA.

- It is also envisaged that proposed pathways to Intermediate and Advanced levels, and associated qualifications, will be considered as part of the implementation phase of the competency framework.

**Recent Developments**

- In 2019, the Financial Action Task Force ‘grey-listed’ Mongolia for anti-money laundering and counter terrorist financing (AML/CTF) framework deficiencies. As part of measures to improve the AML/CTF regime, a committee was formed to consider the registration of all those practicing or providing accountancy services which mainly consists of experienced, but not qualified personnel.

- At present, professional accountants or firms providing accountancy services register with the individual practitioners or partners as a firm needed to be approved by a committee appointed by a certificate to practice and/or to qualify with MonICPA.

**Background**

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**Recent Developments**

- In 2019, the Financial Action Task Force ‘grey-listed’ Mongolia for anti-money laundering and counter terrorist financing (AML/CTF) framework deficiencies. As part of measures to improve the AML/CTF regime, a committee was formed to consider the registration of all those practicing or providing accountancy services which mainly consists of experienced, but not qualified personnel or professional accountants who are not CPAs. Under the Law of Accounting, MonICPA is now responsible for registering and authorizing sole proprietors and practitioners or, where relevant, their firms. A certificate of authorization is issued to successful applicants. The certificate is renewable yearly. Financial statements prepared by the incumbents are recognized by the Ministry of Finance.

- There are no minimum entry requirements for this registration which is compulsory for those providing accountancy services. Presently, professional accountants or firms providing accountancy services register online. The individual practitioners or partners in a firm attended a 1-hour online course, and must successfully complete a 13-state multiple-choice self-assessment. There are no limits to attempts and fees are minimal.

- MonICPA have no plan at the stage to introduce any separate AT qualification in Mongolia. This largely reflects the easy access to tertiary education and hence a sufficient supply of accountancy related graduates that gain immediate employment and the opportunity to register and obtain a certificate to practice and/or to qualify with MonICPA.
At the end of 2019, ICAN Council consulted with the Ministry of Finance to support capacity exemptions given for areas of prior learning.

ATs are eligible to join CAP-II level of the Chartered Accountancy program as a result of the designation was first introduced over 20 years ago and is only available in New Zealand.

The “Accounting Technician” (AT) designation is one of two designations offered through Chartered Accountants ANZ. A review of the changes to the NZQA qualification and subsequent alignment by Chartered Accountants ANZ to these changes, resulted in revisions to the AT Academic pathway requirements are widely available across New Zealand.

APPENDIX: COUNTRY UPDATES

NEW ZEALAND

Recent Developments

Since the original CAPA AT publication in 2018, only two (2) main pathway routes now exist to become an AT member. The pathway routes are now only available in banded structures.

The “Accounting Technician” (AT) designation is one of two designations offered through Chartered Accountants ANZ. A review of the changes to the NZQA qualification and subsequent alignment by Chartered Accountants ANZ to these changes, resulted in revisions to the AT Academic pathway entry requirements.

The New Zealand Qualifications Authority (NZQA) undertook a Business Qualifications review from 2018 to 2020, resulting in the launch of the NZ Diploma of Business Level 5.

The Academic pathway entry requirements to AT membership are set out at the Academic pathway entry requirements. One of the options is the completion of at least the first year of study of a degree offered by ATs in Accountancy, in Professional Accounting, and in Accountancy.

The AT designation continues to be actively supported by employers and members across New Zealand.

The syllabus consists of four (4) levels with an option for two (2) streams: Corporate and Public Sector.

Practical experience of eighteen (18) months is required under the mentorship of a professional accountant.

Post qualifying, twenty (20) hours each of both structured and unstructured CPD are required.

The designation was first introduced in 2000 for the mid-level career advisors to raise awareness of career opportunities in accounting and business.

A review of the changes to the NZQA qualification and subsequent alignment by Chartered Accountants ANZ to these changes, resulted in revisions to the AT Academic pathway requirements are widely available across New Zealand.

The New Zealand Qualifications Authority (NZQA) undertook a Business Qualifications review from 2018 to 2020, resulting in the launch of the NZ Diploma of Business Level 5.

Further, engagement is increasing with tertiary education institutions, high-school leavers and related to public sector financial management into the AT course itself or developing a separate strategy review.

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APPENDIX: COUNTRY UPDATES

PHILIPPINES

Background
The Philippine Institute of Certified Public Accountants (PICPA) went under the Philippine Accountancy Act to support the welfare of the Certified Public Accountants (CPAs) under the advancement of their profession, and the retirement of other professional fields. Given the above, non-CPA communities are beyond its jurisdiction.

Consequently, non-CPA organisations exist to support the non-CPA’s, e.g. accounting graduates onjak retire to the National Institute of Accountancy (NIA).

NIA is a statutory organisation with membership of 20,000 members and approximately 50,000 students. NIA prides itself as the ‘pioneer organisation for Accounting Technicians’ in the Philippines and administers a Certified Accounting Technician (CAT) qualification. Students qualify to become CAT members of NIA on successful completion of the CAT examinations and gaining at least one (1) year of relevant work experience.

The skills-based qualification was aimed at offering aspiring accounting technicians the opportunity to equip themselves with relevant skill sets to meet the demand for competent accounting and finance staff to support senior levels of the profession.

Moreover, CAT qualifications provide an entry point into executive or managerial level dependant on prior qualifications. On successful completion of the ISCA-AAT and 1-year of practical experience, the incumbent is eligible for Affiliate membership at ISCA, which attracts ISCA support and conversely, membership obligations. Various pathways exist to advance to higher membership categories at ISCA, if so desired.

Recent Developments
CAPIA’s publication has given rise to consideration for the need to have better coordination between PICPA and non-CPA communities. Pathways and linkages for these communities will not be possible at this juncture due to prevailing laws governing the profession.

SINGAPORE

Background
The Institute of Singapore Chartered Accountants (ISCA), in collaboration with the AAT UK, introduced the ISCA Accredited Accounting Technician (ISCA-AAT) qualification in 2016.

The ISCA-AAT was designed to cover the said qualification and revise its approach to ATs, including the present curriculum and structure of the ISCA-AAT. The ISCA-AAT was introduced to access the qualification either through the Foundation or Advanced levels, depending on prior qualifications. On successful completion of the ISCA-AAT and 1-year of practical experience, the incumbent is eligible for Affiliate membership at ISCA, which attracts ISCA support and conversely, membership obligations. Various pathways exist to advance to higher membership categories at ISCA, if so desired.

Recent Developments
ISCA decided to discontinue the said qualification and revise its approach to ATs, including the present curriculum and structure of the ISCA-AAT. The sponsorship relationship with these bodies ceased in 2017.

SRI LANKA

Background
The Association of Accounting Technicians of Sri Lanka (AAT Sri Lanka) was founded in 1987 by the Institute of Chartered Accountants of Sri Lanka at the recommendation of a report by the Asian Development Bank. Its key focus is to develop middle level professional accountants. Currently, there are close to 30,000 students with about 4,000 members.

Recent Developments
AAT Sri Lanka undertakes a curriculum review of its syllabus every five (5) years. As a result, a new syllabus was introduced in 2019.

As part of its digitalisation journey, AAT Sri Lanka is introducing online teaching. There is also heightened engagement with relevant stakeholders through the use of social media.

UNITED KINGDOM

Background
The Association of Accounting Technicians in the United Kingdom (AAT UK) is a professional body for accounting technicians, working across the globe, with around 50,000 qualified members and 80,000 students in more than 100 countries.

Recent Developments
AAT UK was established in 1980 by five (5) sponsoring UK-based PAO’s, namely: ACCA, CIMA, ICAEW, ICAS and ICAI. The sponsorship relationship with these bodies ceased in 2017.

AAT UK is one of the leading providers of education and training in the accounting and finance sector. AAT members work across different sectors of the economy ranging from private to public.

AAT works with more than 500 AAT approved training providers and has over 4,000 licensed members in the UK. Besides the accounting qualifications, AAT also offers a range of bookkeeping and business skills qualifications. AAT’s designations include MAAT (AAT full membership) or AATQB (AAT bookkeeping membership). In the Middle East, AAT also offers an Advanced Award in Value Added Tax for the Gulf region.

AAT members work across different sectors of the economy ranging from private to public.

AAT UK’s designations include MAAT (AAT full membership) or AATQB (AAT bookkeeping membership). In the Middle East, AAT also offers an Advanced Award in Value Added Tax for the Gulf region.

Further reading:
1. The Chartered Institute of Management Accountants
2. The Institute of Chartered Accountants of Scotland
3. The Association of Accounting Technicians in the United Kingdom
4. The Association of Accounting Technicians of Sri Lanka
5. The Institute of Certified Public Accountants
APPENDIX: COUNTRY UPDATES

UNITED KINGDOM and INTERNATIONAL

Background
The Association of Chartered Certified Accountants (ACCA) provides multiple entry points to available qualifications and hence membership. This includes ACCA’s Foundations in Accountancy (FIA). Individuals have the flexibility to choose from a range of entry level qualifications which will help develop relevant technical knowledge and practical skills required to perform in roles usually associated with ATs. Certificates and diplomas are awarded as they progress through the FIA which can either lead to the Certified Accounting Technician (CAT) or the full ACCA professional qualifications. The CAT designation is awarded on successful completion of examinations, relevant work experience and ethics requirements. From the CAT designation, a pathway exists to progress to the full professional qualification.

Recent Developments
ACCA often partner with others to deliver these studies and qualifications, including through Joint Examination Schemes, an arrangement whereby ACCA collaborates with national Professional Accountancy Organisations (PAOs) to provide qualifications adapted to ensure local relevance. Under these schemes, students register with both ACCA and the national PAO and are thereby able to satisfy the examination criteria for membership of both. Fourteen (14) schemes currently operate in Africa, the Caribbean, Europe and Asia, with ten (10) providing for both the FIA and ACCA qualifications, and four (4) offering only the latter.

By way of example of international involvement:
• In Rwanda, ACCA worked with the Institute of Certified Public Accountants (ICPAR) to develop their new AT qualification – a priority under ICPAR’s strategy to contribute to broader Rwanda country objectives. These objectives include growing the number of fully qualified accounting professionals, and responding directly to the need for 5,000 well-trained finance personnel in the public sector through the offer of a distinct public finance management module.
• In Malaysia, annually an average of 1,500 students register to complete the CAT qualification and most of those that qualify will progress to the full professional qualification.
• In Cambodia, ACCA has partnered with the local institute for many years – see the Cambodia Country Update.

The program is funded by an Apprenticeship Levy (i.e. a tax on larger employers) that if not used on apprenticeships will remain with the government. Non-levy paying employers (i.e. smaller employers) may share the cost of training and assessing their apprentices with government through ‘co-investment’. The co-investment rate for such employers is the payment of 5% towards the cost of apprenticeship training, with the government paying the balance. Further, a key trend in the UK appears to be that employers are looking to investing in school leaver schemes more than graduate schemes.

(continued from page 28)