

## **BACKGROUND NOTE ON ACTION PLANS**

The SMO Action Plan is intended to provide a summary of:

- The legal and regulatory environment for the profession;
- The status of adoption of international standards and best practices in the jurisdiction; and
- The level of a Member's or Associate's fulfillment of IFAC membership requirements.

IFAC [Statements of Membership Obligations](#) (SMOs) require IFAC Members and Associates to support the adoption<sup>1</sup> and implementation<sup>2</sup> of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a quality assurance (QA) review and investigation and disciplinary (I&D) systems. The SMOs are recognized as the international benchmarks for credible and high-quality PAOs that are focused on and have the necessary expertise to serve the public interest and meet the market demands of their respective jurisdictions.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where, if any, improvements are needed. Members and Associates should develop an Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs (revised in 2012), and (b) where some requirements are not yet addressed, to present plans towards their fulfillment. Action Plans are designed to be **ever-green** documents that take into consideration IFAC recommendations. Depending on the PAO's level of fulfillment (see *IFAC's Summary Assessment* – page 2), an Action Plan may not be necessary for each SMO section and instead the '*Attestation of Ongoing SMO Compliance*' is used to confirm their ongoing commitments. However, PAOs may wish and are welcome to utilize the Action Plan as a tool to demonstrate how they are using 'best endeavors' and going beyond their mandate with innovative approaches to fulfilling the SMOs and strengthening the national profession.

The specific details of each organization's actions will vary even where two PAOs are involved in the same SMO area. Each PAO operates in its own unique regulatory and standard-setting framework and has different operating, technical, and resource capacities. Moreover, in deciding when and how a particular SMO requirement is to be addressed, PAOs might have differing timeframes and objectives to achieve. Notwithstanding these inevitable differences, seeking the advice and assistance of other PAOs who have already faced and dealt with similar challenges can save significant time and resources. IFAC staff will offer assistance as needed.

Regular updates of the SMO Action Plans are required as part of the [IFAC Member Compliance Program](#).

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<sup>1</sup> *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to affect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

<sup>2</sup> *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop, or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

**Use of Information**

Please refer to the [Disclaimer](#) published on the IFAC website.

**ACTION PLAN**

**IFAC Member:** The National Federation of Certified Public Accountant Associations of the Republic of China (NFCPAAROC)  
**Original Publish Date:** September 2010  
**Last Updated:** May 2024  
**Next Update:**

**IFAC’s Summary Assessment:** IFAC staff will complete this section at the conclusion of each SMO Action Plan review and update process. PAOs are encouraged to take staff’s recommendation into consideration as part of future strategic planning conversations at the PAO.

For more information on [IFAC Member Compliance Program](#) and the legends used to describe the status of adoption of international standards, best practices, and fulfillment of SMO requirements, please refer to the Status of Adoption [methodology](#) and SMO Fulfillment [methodology](#).

FOR IFAC COMPLETION	PAO Level of Responsibility for Adoption	Adoption Status as of 2023	Level of SMO Fulfillment as of 2023
QA / SMO 1			
IES / SMO 2			
ISA / SMO 3			
IESBA / SMO 4			
IPSAS / SMO 5			
I&D / SMO 6			
IFRS / SMO 7			

### **Attestation of SMO Compliance**

The **[Org NAME]** has developed an Action Plan to demonstrate how it fulfills the requirements of the SMOs (revised in 2012). The abovementioned [Governing Body](#) has reviewed the information contained within the SMO Action Plan and affirms that the **[Org NAME]** continues to undertake these and other relevant actions to maintain ongoing compliance and fulfillment of the membership obligations where IFAC's assessments are at *Review & Improve* and/or *Sustain*. In areas where IFAC's assessments are at *Execute, Plan, Consider, or Not Active* the **[Org NAME]** has updated the Action Plan to reflect the specific actions to adopt or support adoption and support implementation that must be taken to achieve the improvement accompanied by a timeline.

On behalf of the **[Org NAME]**, the *Governing Body* endorses the information contained within the SMO Action Plan as of the publication date and its publication on the IFAC website in the interests of transparency and to demonstrate our commitment to enhancing the quality and credibility of the accountancy profession worldwide.

## **GLOSSARY**

<b>AAC</b>	<b>Accounting and Auditing committee, NFCPAAROC</b>
<b>ARDF</b>	<b>Accounting Research and Development Foundation</b>
<b>BAS</b>	<b>The Directorate General of Budget, Accounting &amp; Statistics</b>
<b>CIPFA</b>	<b>Chartered Institute of Public Finance and Accountancy</b>
<b>CDC</b>	<b>CPA Discipline Committee</b>
<b>CPA</b>	<b>Certified Public Accountant</b>
<b>CPD</b>	<b>Continuing Professional Development</b>
<b>CPE</b>	<b>Continuing Professional Education</b>
<b>DC</b>	<b>Discipline Committee, NFCPAAROC</b>
<b>EAS</b>	<b>Enterprise Accounting Standards</b>
<b>ECC</b>	<b>Ethics Code Committee, NFCPAAROC</b>
<b>FSC</b>	<b>Financial Supervisory Commission</b>
<b>GAAS</b>	<b>General Accepted Auditing Standards</b>
<b>IAASB</b>	<b>International Auditing and Assurance Standards Board</b>
<b>IAC</b>	<b>International Affairs Committee, NFCPAAROC</b>
<b>IAESB</b>	<b>International Accounting Education Standards Board</b>
<b>IASB</b>	<b>International Accounting Standards Board</b>
<b>IEIPS</b>	<b>International Education Information Papers</b>
<b>IEPS</b>	<b>International Education Practice Statements</b>
<b>IES</b>	<b>International Education Standard</b>
<b>IESBA</b>	<b>International Ethics Standards Board for Accountants</b>
<b>IFIAR</b>	<b>International Forum of Independent Audit Regulators</b>
<b>IFRS</b>	<b>International Financial Reporting Standard</b>
<b>IOSCO</b>	<b>International Organization of Securities Commissions</b>
<b>IPSAS</b>	<b>International Public Sector Accounting Standards</b>
<b>ISA</b>	<b>International Standard on Auditing</b>
<b>I&amp;D</b>	<b>Investigation and Discipline, NFCPAAROC</b>
<b>JBCRC</b>	<b>Joint Board of College Recruitment Commission</b>
<b>NFCPAAROC</b>	<b>National Federation of Certified Public Accountant Associations of the Republic of China</b>
<b>NOCLAR</b>	<b>Non-compliance with Laws and Regulations</b>
<b>PEC</b>	<b>Professional Education Committee, NFCPAAROC</b>
<b>PRC</b>	<b>Peer Review Committee, NFCPAAROC</b>
<b>PRIC</b>	<b>Professional Responsibility Investigation Committee, NFCPAAROC</b>
<b>QA</b>	<b>Quality Assurance</b>
<b>SFB</b>	<b>Securities and Futures Bureau</b>
<b>SME</b>	<b>Small and Medium Enterprises</b>
<b>SMEC</b>	<b>SME Committee, NFCPAAROC</b>

<b>SMO</b>	<b>Statement of Membership Obligations</b>
<b>TAA</b>	<b>Taiwan Accounting Association</b>
<b>TWSE</b>	<b>Taiwan Stock Exchange Corporation</b>

**Action Plan Subject:** SMO 1-Quality Assurance  
**Action Plan Objective:** Develop and Improve Quality Assurance Review System in line with SMO 1 requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background: (Applicability Framework (Ref to SMO1 9 (c)): Shared responsibility with government, regulators, or other appointed authorities.)</i></p> <p>In accordance with the Certified Public Accountants (CPA) Act<sup>3</sup>, the NFCPAAROC organizes the Peer Review Committee to conduct Quality Assurance (QA) practice reviews on individual members and firms that provide attestation services. The CPA firm conducting the auditing and attesting service on financial reports of public companies shall participate in the regularly scheduled peer reviews held by NFCPAAROC in terms of Article 8 of Regulations Governing Approval of Certified Public Accountants to Audit and attest to the Financial Reports of Public Companies..</p> <p>According to the QA Review Guidelines (based on ROC GAAS #44 later reclassified and recoded as TWSA 220, Quality Control for Audits of Historical Financial Information and GAAS #46 later reclassified and recoded as TWSQC1, Quality Control for Firms, which are primarily modified in line with the ISA 220 and ISQC 1, respectively and other relevant regulations and standards),each public company auditor who is approved by the Securities &amp; Future Bureau (SFB) should be reviewed by the Peer Review Committee once every five years. The QA conducted by the NFCPAAROC is for self-discipline purposes and be monitored by the Financial Supervisory Commission (FSC)</p> <p>FSC, the competent authority for public oversight function, has conducted a separate process for QA, and it determines the inspection focus and case selection annually which are in accordance with GAAS #46, risk-oriented and depend on the current situations. FSC may dispatch personnel to inspect the operations and operations related to the financial status of a public company auditor under CPA Act #19.</p>					
Establish QA standards & pronouncements					

<sup>3</sup> The Certified Public Accountants Act provides the basic framework for the audit profession in R.O.C. It includes the scope of services to be provided by Certified Public Accountants (CPA), requirements for CPA qualification and practice, duties and responsibilities of CPAs, the disciplinary and sanctions applicable to CPAs, establishment of accounting firms, roles and organization of the NFCPAAROC, and roles of the regulatory competent authority. The CPA Act grants the FSC the authority to oversee CPAs, CPA firms, and the NFCPAAROC. [The CPA Act has been amended in January, 2018](https://law.moj.gov.tw/Eng/LawClass/LawAll.aspx?PCode=G0400067). Please visit the website at <https://law.moj.gov.tw/Eng/LawClass/LawAll.aspx?PCode=G0400067>.

1.	2007	The quality assurance standards & pronouncements were issued and activated (ROC GAAS #44 Quality Control for Audits of Historical Financial Information and GAAS #46 Quality Control for Firms, which are primarily modified in line with the ISA 220 and ISQC 1, respectively )	July 1, 2009 Completed	ARDF	ARDF
1-1	2022	ROC GAAS #44 and GAAS #46 were reclassified and recoded as TWSA 220 and TWSQC1, respectively as well as implemented on December 15,2022.	October 4, 2022 Completed	ARDF	ARDF
1-2	2022	TWSQC1 will be replaced by TWSQM1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”. which is in line with the ISQM1.  Systems of quality management in compliance with TWSQM1 are required to be designed and implemented by December 31, 2023, and the evaluation of the system of quality management required by paragraphs 52–53 of TWSQM1 is required to be performed before December 31, 2024.	October 4, 2022 Completed	ARDF	ARDF
1-3	2023	TWSQM2 “Engagement Quality Reviews” is issued on July 18, 2023. This standard is effective for audits or review of historical financial information for reporting periods ending on or after December31, 2023; and for other assurance and related services engagements of non-historical financial information that are accepted or continued on or after January 1, 2024.	October 26, 2023 Completed	ARDF	ARDF
<i>Maintaining Ongoing Processes</i>					

2	Ongoing	Organize PRC in accordance with By-Law of NFCPAAROC and organize representatives from local CPAs, academics, and experts in CPA profession to execute inspection and practice review. PRC constitutes of 31~71 members.	Ongoing	PRC	PRC
3	Ongoing	Enact the QA Review Regulation and Guidelines as well as perform periodic review of QA Review Guidelines	Ongoing	PRC	PRC
4.	Ongoing	Perform a review of the Quality Assurance practice review program, which confirms the quality reviewers follow procedures that are based on QA Review Regulation and Guidelines as well as confirming the quality reviewers document the matters providing evidence supporting the quality assurance review reports, to ensure it is operating in accordance with ROC GAAS..	Ongoing	PRC	PRC
5	Ongoing	<p>Complete and issue written quality assurance review reports to the reviewed members and firms. Each reviewed firm was drawn at least 5 cases including public companies which were more than 50% and private companies.</p> <p>The latest five-year number of members and firms of all accountancy bodies accredited to provide attestation services for public held companies reviewed:</p> <p>2018 fiscal year:21 2019 fiscal year:14 2020 fiscal year:11 2021 fiscal year:11 2022 fiscal year: 9</p>	Annually	PRC	PRC



6	Ongoing	Follow up the improvements of the reviewed members and firms as well as report to FSC. Also prepare to process the review of the members and firms of all accountancy bodies accredited to provide attest services for public companies	Ongoing	PRC	PRC
7	Ongoing	<p>Issue an annual CPA firms General Inspection Report through FSC website.</p> <p>Commenced CPA firm inspection activities in 2009. Entered into a Cooperative Arrangement with the Public Company Accounting Oversight Board (PCAOB) of the United States in 2011 and has conducted joint inspection on local firms since then. Successfully performed the cycle of inspections on all big-four CPA firms three times and 22 medium/small CPA firms up to 2018.</p> <p>The latest five-year number of CPA firms inspections conducted by FSC:</p> <p>2017 fiscal year:3</p> <p><u>2018 fiscal year:4</u></p> <p><u>2019 fiscal year:3</u></p> <p><u>2020 fiscal year:4</u></p> <p><u>2021 fiscal year:4</u></p>	Annually	FSC	<p>FSC website</p> <p><a href="https://www.sfb.gov.tw/en/home.jsp?id=232&amp;parentpath=0,117,228">https://www.sfb.gov.tw/en/home.jsp?id=232&amp;parentpath=0,117,228</a></p>

8	Ongoing	Continue to ensure the QA review system is linked to the Investigation and Discipline system regarding Article 19 of Certified Public Accountants Act and Article 8 & 10 of Regulations Governing Approval of Certified Public Accountants to Audit and Attest to the Financial Reports of Public Companies <sup>4</sup> .	Ongoing	FSC	FSC
9	Ongoing	Provide CPD programs related to quality control policies and procedures in CPA's practice and the analysis of the common audit deficiencies to CPAs.	Ongoing	PRC PEC	PRC PEC
<i>Review of NFCPAAROC's Compliance Information</i>					
10	Ongoing	Perform periodic review of NFCPAAROC's SMO Action Plan and update sections relevant to SMO 1 as necessary. Once updated inform IFAC Compliance staff regarding the updates in order for the Compliance staff to publish the updated information.	Ongoing	PRC	PRC

**Table to conduct assessment for SMO 1**

Requirements	Y	N	Partially	Comments
<b>Scope of the System</b>				
1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	✓			
<b>Quality Control Standards and Other Quality Control Guidance</b>	✓			

<sup>4</sup> Please visit the website at <http://www.rootlaw.com.tw/en/LawArticle.aspx?LawID=A040390050001300-0970516>

Requirements	Y	N	Partially	Comments
2. Firms are required to implement a system of quality control in accordance with the quality control standards.				
3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.	✓			
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	✓			
<b>Review Cycle</b>				
5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	✓			
6. For cycle-based approach, quality control reviews are required to take place at least every six years (and every three years for audits of public interest entities).			✓	

Requirements	Y	N	Partially	Comments
<b>QA Review Team</b>				
7. Independence of the QA Team is assessed and documented.	✓			
8. QA Team possesses appropriate levels of expertise.	✓			

Requirements	Y	N	Partially	Comments
<b>Reporting</b>				
9. Documentation of evidence supporting the quality control review report is required.	✓			
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	✓			
<b>Corrective and Disciplinary Actions</b>				
11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	✓			
12. QA review system is linked to the Investigation and Discipline system.	✓			
<b>Consideration of Public Oversight</b>				
13. The body responsible for QA reviews cooperates with its oversight body and shares information on the functioning of the QA review system, as needed.	✓			
<b>Regular Review of Implementation and Effectiveness</b>				
14. Regular reviews of implementation and effectiveness of the system are performed.	✓			

**Action Plan Subject:** SMO 2- International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB

**Action Plan Objective:** Continue to Use Best Endeavors to Ensure that all IESs Requirements are Incorporated into NFCPAAROC Educational Requirements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background: (Applicability Framework (Ref to SMO2 6. (c)): Shared responsibility with government, regulators, or other appointed authorities.)</i></p> <p>Educational entry and IPD requirements to sit for the CPA Examination allow entrance only to those with a reasonable chance of successfully completing the professional accounting education program, while not representing excessive barriers to entry. Persons must graduate from universities/college or higher and major in accounting (or study at least seven professional subjects more than 20 credits in total for whom not major in accounting related) before they take the national CPA Examination which is held by the government.</p> <p>Persons who have passed the national CPA Examination could apply for the admission as a member of NFCPAAROC. To qualify for a practicing member in the NFCPAAROC, one must possess a valid CPA certificate issued by FSC, establish or join a CPA firm, have practice experience before applying to FSC for practice registration, join the provincial or municipal certified public accountants association ("CPA association") and shall pursue continuing professional education (CPE).</p> <p>The requirements of the CPA Continuing Professional Development (CPD) are regulated in the CPA Act. The FSC is responsible for setting Regulations governing CPA CPE in R.O.C and the NFCPAAROC is responsible for the implementation of the CPD. The CPD programs cover subjects related to CPA professional practice ranging from laws, regulations and practice of accounting, audit, taxation, professional ethics to anti-money laundering and countering the financing of terrorism.</p> <p>The auditors of public companies are expected to have no less than 40 hours of continuing professional education annually under the CPA Act and Regulations governing CPA CPE which is developed based on the actual condition of R.O.C accountancy profession and provisions of International Education Standards (IES) issued by the International Accounting Education Standards Board (IAESB).</p> <p>NFCPAAROC is continuously engaged in efforts to improve regulations, standards, and policies aimed at meeting the requirements of IES</p> <p>For more information regarding the CPA CPD in R.O.C, please visit the website at <a href="https://law.moj.gov.tw/Eng/LawClass/LawAll.aspx?PCode=G0400145">https://law.moj.gov.tw/Eng/LawClass/LawAll.aspx?PCode=G0400145</a></p>					
<p><i>Strengthening CPD Requirements and Establish a Comprehensive Monitoring Mechanism</i></p>					

11	July, 2008	Enacting "Regulations Governing CPA Pre-Professional Training and CPE" for the CPD training and courses as well as taking IES requirements into consideration.	Completed	FSC	FSC
12	Ongoing	Organize PEC in accordance with By-Law of NFCPAAROC. PEC constitutes of 11~51 members to handle the CPD related matters	Ongoing	PEC	PEC
<i>Maintaining Ongoing Processes</i>					
13	Ongoing	Ensure NFCPAAROC education requirements continue to incorporate all IES requirements. This includes the review of the existing requirements and the preparation of the Action Plan for the future activities where necessary.	Ongoing	PEC	PEC
14	Ongoing	Study the change of the latest edition of IESs, all revised IES requirements (especially IES 1 and 8 as noted from 2015) and take the main revisions into account, continue to use best endeavors to exchange views with stakeholders to better meeting the revised IES and hold the meetings to discuss the possible changes or proposed changes/revisions in the structure of IPD, CPD and <u>Regulations Governing CPA Continuing Professional Education</u> as appropriate.	Ongoing	PEC	PEC

14-1	Ongoing	<p>Aware of the revised IES from 2019 and the main changes between 2015 IES and 2019 IES.</p> <ul style="list-style-type: none"> <li>● To align with IES 7(effective on January 1, 2020) requirement regarding to require professional accountants to develop and maintain professional competence that is demonstrated by completing a specified amount of learning and development activity relevant to performing their role as a professional accountant, we use an input-based approach.</li> <li>● To align with IES 2, 3, 4, 8 (effective on January 1, 2021), more competency related to ICT and professional skepticism is proceeding to be incorporated IPD (universities) and CPD.</li> </ul>	Ongoing	PEC Universities	<p>PEC</p> <p>The Journal of NFCPAAROC(June, 2020, No.283, P77~P85)</p> <p><a href="https://www.roccpa.org.tw/books/index?id=0e08c4aa70234834b9b117ae759f1259&amp;p=2">https://www.roccpa.org.tw/books/index?id=0e08c4aa70234834b9b117ae759f1259&amp;p=2</a></p> <p>JBCRC</p> <p><a href="https://collego.edu.tw/Highschool/MajorIntro?current_major_id=112">https://collego.edu.tw/Highschool/MajorIntro?current_major_id=112</a></p>
15	Ongoing  2021~2022	<p>Review IFAC Digest, Gateway, e-news and information regarding IAESB and International Panel on Accountancy Education. In addition, convey the important messages to Professional Education Committee and members for reference as a way to contribute to activities of the IAESB, International Panel on Accountancy Education and IFAC. For example:</p> <ul style="list-style-type: none"> <li>● 2021 Building on the Education Summit' s Success to Transform Learning and Development</li> <li>● 2022 IFAC EdExchange: The Future of Technology in Accounting Summit</li> </ul>	Ongoing  Completed	IAC	<p>IAC</p> <p><a href="https://www.roccpa.org.tw/news/more_nomal?id=a22233238555442681f450573ac1ab72">https://www.roccpa.org.tw/news/more_nomal?id=a22233238555442681f450573ac1ab72</a></p> <p><a href="https://www.roccpa.org.tw/X(1)S(xsfi0xylbgu0h10noijknlcs))/news/more?id=4c5a03bc31b249efb2ce3901912ec590">https://www.roccpa.org.tw/X(1)S(xsfi0xylbgu0h10noijknlcs))/news/more?id=4c5a03bc31b249efb2ce3901912ec590</a></p>
16	August, 2017	Continue to submit NFCPAAROC's key education contact to IAESB and liaison with the IAESB in receiving updates on IAESB's activities, consultation information as well as requests for feedback or help with specific activities.	Ongoing	IAC	IAC

16-1	May, 2018	<ul style="list-style-type: none"> <li>● Participate in a group seminar regarding a project of accounting education revolution</li> <li>● Assist in the relevant accounting education survey.</li> <li>● Publish a project report “The revolution and creation of current local accounting education” in 2018 regarding the need to improve accountancy education in order to enhance professional accountants’ competencies to meet market needs. The report pointed out the accounting education shall enhance communication skills, interdisciplinary integration, Information and Technology capacity, and accept new ways of thinking, etc. Besides, the report viewed the accounting education change would be continuous rather than revolutionary in the short term.</li> <li>● Study the 2018 report and continue to observe whether there is any changes or proposed changes to the overall structure of IPD and consider to further discuss the possible change to the structure of CPD.</li> </ul>	Completed	TAA Industry Universities CPAs CPA associations Accounting firms  PEC	<u>TAA</u>
17	Ongoing	Introduce necessary measures to discourage non- compliance of CPD, e.g. amending the by-law to suspend the practicing certificate or the membership of those who are unable to complete the CPD hours or to impose fines.	Ongoing	PEC	PEC
<i>Review of NFCPAA of the ROC’s Compliance Information</i>					
18	Ongoing	Perform periodic review of NFCPAAROC’s SMO Action Plan and update sections relevant to SMO 2 as necessary. Once updated inform IFAC Compliance staff regarding the updates in order for the Compliance staff to publish the updated information.	Ongoing	PEC	PEC



**Action Plan Subject:** SMO 3- International Standards and other Pronouncements Issued by the IAASB  
**Action Plan Objective:** Continue to Use Best Endeavors to Maintain an Ongoing Process to Adopt and Implement International Auditing and Assurance Standards Board (IAASB) Pronouncements

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background: (Applicability Framework (Ref to SMO3 6. (b)): No responsibility for the area covered by this SMO.)</i></p> <p>The Accounting Research and Development Foundation (ARDF) is an independent standard-setting body authorized by the Securities and Futures Bureau (SFB).</p> <p>Since 2008, the Auditing Standards in R.O.C, R.O.C.GAAS (reclassified and recoded as TWSA, TWSRE and TWSQC1 since December 15, 2022), are converged with the International Standard on Auditing (ISAs) and related pronouncements in accordance with the administrative order of the FSC. See reference table as Appendix A.</p> <p>The NFCPAAROC works in close cooperation with the ARDF on ISAs convergence and advocating on-going continuing convergence. To promote the adoption of the revised ISA, NFCPAAROC participates in the meetings of ARDF for the entire due process in setting R.O.C.GAAS, NFCPAAROC supports implementation of ISAs convergence through training, seminars, and updates of its CPD program. Besides R.O.C GAAS, CPAs also have to adhere to <u>Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants</u> when they practice.</p> <p>In terms of Article 36 and 63 of Securities and Exchange Act, public companies and securities firms are required to have their financial statements audited. Besides public companies, the Company Act and Interpretative Rules require all companies (less than NT\$30 million of equity capital of companies, less than net operating revenue by 100 million or less than 100 employees joined labor insurance are exempted since 2019) to have their annual financial statements audited.</p> <p>For more information regarding the Auditing System of R.O.C, please visit ARDF's website at <a href="http://www.ardf.org.tw/english/sas1.html">http://www.ardf.org.tw/english/sas1.html</a> and FSC's website at <a href="https://law.moj.gov.tw/ENG/LawClass/LawAll.aspx?pcode=G0400068">https://law.moj.gov.tw/ENG/LawClass/LawAll.aspx?pcode=G0400068</a></p>					
<i>Continuous Improvements to Program for Adoption and Implementation of IAASB Pronouncements</i>					
19	Before	R.O.C.GAAS are promulgated according to the spirit of ISAs and partially amended pursuant to ISAs.	Completed	ARDF	ARDF
	2008	R.O.C.GAAS, are converged with the International Standard on Auditing (ISAs) and related pronouncements	Ongoing		

19-1	2022	R.O.C.GAAS are reclassified and recoded as TWSA, TWSRE and TWSQC 1 since December 15, 2022.  For more information about TWSQC1 and TWSQM1, please refer to SMO 1's 1-2..	Completed	ARDF	ARDF
19-2	2023	TWSQM2 is issued. Please refer to SMO1's 1-3.	Completed	ARDF	ARDF
20	Ongoing	Organize AAC in accordance with functional committee organizing principle of NFCPAAROC. AAC constitutes of 11~51 members to hand the accounting and auditing related matters.	Ongoing	AAC	AAC
21	Ongoing	Review pronouncements issued by the IAASB on an ongoing basis, with a view to implement and communicate to members and the public on any new developments as well as review all IAASB agenda materials and exposure drafts.	Ongoing	ARDF	ARDF
22	Ongoing	Incorporate all newly issued ISAs and practice statements by the IAASB into the NFCPAAROC CPD program as well as intensify communication initiatives to members and the public about the current ISAs that are in effect and to be used. Also, circulate updates to all members and offer relevant education courses.	Ongoing	PEC	PEC

23	Ongoing	PRC QA review would review whether the latest GAAS to be implemented,	Ongoing	PRC	PRC
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24	Ongoing	<p>Participate in International meetings and workshops to exchange Information and views on ISAs, for example:</p> <p><u>International Forum of Independent Audit Regulators (IFIAR)</u></p> <p><u>International Organization of Securities Commissions(IOSCO)</u></p>	Ongoing	SFB	<p>SFB</p> <p>2016~2019(IFIAR)</p> <p><a href="https://www.sfb.gov.tw/ch/home.jsp?id=942&amp;websiteslink=artwebsite.jsp&amp;parentpath=0,8,935">https://www.sfb.gov.tw/ch/home.jsp?id=942&amp;websiteslink=artwebsite.jsp&amp;parentpath=0,8,935</a></p> <p><u>IOSCO:refer to No.61</u></p>
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<i>Maintaining Ongoing Processes</i>					
25	Ongoing	Support ongoing adoption and implementation of IAASB pronouncements. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	IAC	IAC
<i>Review of NFCPAA ROC's Compliance Information</i>					
26	Ongoing	Perform periodic review of NFCPAAROC's SMO Action Plan and update sections relevant to SMO 3 as necessary. Once updated inform IFAC Compliance staff regarding the updates in order for the Compliance staff to publish the updated information.	Ongoing	IAC	IAC

**Appendix A-Reference Table**

Item	ISQM1,ISQC1&ISAs	Reclassified and recoded as TWSA, TWSRE, TWSQC1 & TWSQM1 (replaced R.O.C.GAAS since December 15, 2022)
1	ISQM1	TWSQM1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (issued on Oct. 4, 2022 and effective on December 31, 2023)
2	ISQM2	TWSQM2 Engagement Quality Reviews (issued on July 18, 2023, effective on December 31,2023 for audits or review of historical financial information for reporting periods ending on or after December31, 2023, and effective on January 1, 2024 for other assurance and related services engagements of non-historical financial information that are accepted or continued
3	ISQC 1	TWSQC1 Quality Control for Public Accounting Firms (replaced GAAS No.46 that was effective on July, 1, 2009)
4	ISA210	TWSA 210 Agreeing the Terms of Audit Engagements (replaced GAAS No.64 that was effective on July 1, 2018)
5	ISA 220(pre-clarity)	TWSA 220 Quality Control for Audits of Historical Financial Information (replaced GAAS No.44 that was effective on January, 1, 2008)
5-1	ISA 220R	TWSA 220 Quality Control for Audits of Historical Financial Information(ongoing)
6	ISA 230	TWSA 230 Audit Documentation (replaced GAAS No.45 that was effective on July 1, 2008)
7	<u>ISA240</u>	TWSA 240 The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements (replaced GAAS No.74 that was effective on December 31, 2020)
8	ISA250R	TWSA 250 Consideration of Laws and Regulations in an Audit of Financial Statements (replaced GAAS No.72 that was effective on January 1, 2020)
9	ISA 260R	TWSA 260 Communication with those Charged with Governance (replaced GAAS No.62 that was effective on July 1, 2018)
10	ISA265	TWSA 265 Communication Deficiencies in Internal Control to Those Charged with Governance and Management (replaced GAAS No.68 that was effective on January 1, 2019)
11	ISA 300	TWSA 300 Planning an Audit of Financial Statements (replaced GAAS No.47 that was effective on January, 1, 2010)
12	ISA315 (Revised 2019)	TWSA 315 Identifying and Assessing the Risks of Material Misstatement (replaced GAAS No.75 that was effective on December 31, 2022)
13	ISA 320	TWSA 320 Materiality in Planning and Performing an Audit (replaced GAAS No.51 that was effective on January, 1, 2012)
14	ISA 330	TWSA330 The Auditor’s Responses to Assessed Risks (replaced GAAS No.49 that was effective on January, 1, 2012)
15	ISA 450	TWSA 450 Evaluation of Misstatements Identified During the Audit (replaced GAAS NO.52 that was effective on January, 1, 2012)
16	ISA 500	TWSA 500 Audit Evidence (replaced GAAS NO.53 that was effective on July, 1, 2012)

17	ISA501	TWSA 501 Audit Evidence- Additional Considerations for Specific Items (replaced GAAS No.70 that was effective on November 1, 2018)
18	ISA505	TWSA 505 External Confirmations (replaced GAAS No.69 that was effective on January 1, 2019)
19	ISA510	TWSA 510 Initial Engagements-Opening Balances (replaced GAAS No.63 that was effective on July 1, 2018)
20	ISA 520	TWSA 520 Analytical procedures (replaced GAAS No.50 that was effective on January, 1, 2012)
21	ISA540R	TWSA 540 Auditing Accounting Estimates and Related Disclosure (replaced GAAS No.76 that was effective on December 31, 2023)
22	ISA 550	TWSA 550 Related Parties (replaced GAAS No.67 that was effective on July 1, 2018)
23	ISA 560	TWSA 560 Subsequent Events (replaced GAAS No.55 that was effective on December 15, 2013)
24	ISA 570	TWSA 570 Going Concern (replaced GAAS No.61 that was effective on July 1, 2018)
25	ISA 580	TWSA 580 Written Representations (replaced GAAS No.66 that was effective on July 1, 2018)
26	ISA 600 & AU-C section 600	TWSA 600 Special Considerations-Audits of Group Financial Statements (replaced GAAS NO.54 that was effective on July 1, 2018)
27	ISA610	TWSA 610 Using the work of Internal Auditors (replaced GAAS No.73 that was effective on July 1, 2020)
28	ISA 620	TWSA 620 Using the work of an Auditor's Expert (replaced GAAS No.71 that was effective on July 1, 2019)
29	ISA 700	TWSA 700 Forming an Opinion and Reporting on Financial Statements (replaced GAAS NO.57 that was effective on July 1, 2018)
30	ISA 701	TWSA 701 Communicating Key Audit Matters in the Independent Auditor's Report (replaced GAAS No.58 that was effective on July 1, 2018)
31	ISA 705	TWSA 705 Modifications to the Opinion in the Independent Auditor's Report (replaced GAAS No.59 that was effective on July 1, 2018)
32	ISA 706	TWSA 706 Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report (replaced GAAS No.60 that was effective on July 1, 2018)
33	ISA 720	TWSA 720 The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements (replaced GAAS No.40 that was effective on January 1, 2005)
34	ISRE2410	TWSRE2410 Review of Financial Information Performed by the Independent Auditor of the Entity (replaced GAAS No.65 that was effective on April 1, 2018)

**Action Plan Subject:** SMO4-IESBA Code of Ethics for Professional Accountants

**Action Plan Objective:** Maintain an Ongoing Process to Incorporate the Requirements of the IESBA Code of Ethics into the NFCPAAROC Code

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background: (Applicability Framework (Ref to SMO4 6.(a)): Direct responsibility for the area covered by this SMO)</i></p> <p>The CPA Act authorizes the NFCPAAROC to set ethical requirements in R.O.C. NFCPAAROC Ethics Code Committee (ECC) has established an ongoing process for reviewing the latest IESBA Code of Ethics. Some revisions <sup>5</sup>of NFCPAAROC Code shall be approved by FSC. The current NFCPAAROC Code keeps revising to refer to the 2018 IESBA Code and tally with our national conditions. Besides, ECC reviews the latest IESBA information as a way to contribute to activities of the IESBA.</p> <p>The cases of non-compliance NFCPAAROC Code members would be settled by the CPA association and might be referred to CPA Discipline Committee (CDC) if necessary.</p> <p>For more information regarding the NFCPAAROC Code, please visit the website at <a href="https://www.roccpa.org.tw/books/report?id=089f75f39a664ceda672e8559d07a289">https://www.roccpa.org.tw/books/report?id=089f75f39a664ceda672e8559d07a289</a></p>					
<i>Ensure Effective Implementation of the Code of Ethics</i>					
27	July 2009	Submitted the final Code of Ethics, referred to the IESBA Code and tally with our national conditions, to Board meeting of NFCPAAROC for announcement and publication.	Completed	ECC	ECC

<sup>5</sup> For more information, please refer to Article 46 of CPA Act.



28	October 2011	<p>Comparing the 2010 IESBA Code and NFCPAAROC Code :</p> <ul style="list-style-type: none"> <li>● Part A Section 130"Professional Competence and Due Care" is promulgated in <u>Regulations Governing CPA Pre-Professional Training and Continuing Professional Education</u> instead. 290.28"Those Charged with Governance", 291.12, 291.17, 291.20 belong to GAAS area.</li> <li>● Part B Section 291 "Independence-Other Assurance Engagements" is not as a separate section in the NFCPAAROC Code but is referred to as principles in NFCPAAROC Code #10.</li> <li>● Part C "Professional Accountants in Business" is not included because the NFCPAAROC is not involved with accountants that are not in public practice.</li> </ul>	Completed	ECC	ECC
29	Ongoing	Organize ECC in accordance with By-Law of NFCPAAROC. ECC constitutes of 11-51 members to handle the Ethics related matters	Ongoing	ECC	ECC
30	Ongoing	<p>Give consideration to future training/education/promotion activities to further raise awareness of professional ethical requirements.</p> <ul style="list-style-type: none"> <li>● Clarifying the issues coming from CPA firms' inquiries regarding Ethics through NFCPAAROC website.</li> </ul>	Ongoing	ECC	ECC

31	Ongoing  2014~2022	<p>Study the change of the latest edition of IESBA Code , take the main revisions into account and hold the meetings to discuss the possible revisions in NFCPAAROC Code as appropriate.</p> <ul style="list-style-type: none"> <li>● February &amp; June 2014 : Study the main revisions of IESBA Code which hadn't incorporated into NFCPAAROC Code and contained urgent issues.</li> <li>● October, 2014 : Submit proposals to be discussed in meetings, such as the comparison between NFCPAAROC Code #1 and IESBA Code Part A as well as the proposal of revising NFCPAAROC Code #1、#4</li> <li>● March, 2015 : Discussing the proposal of revising NFCPAAROC Code #6 and #7</li> <li>● April, 2016 : Discussing 2015 IESBA Code regarding the change of substance from 2014 IESBA Code.</li> <li>● February &amp; April, 2017: Discussing IESBA Code regarding section 225 「 Responding to Non-compliance with Laws and Regulations 」 (NOCLAR)</li> <li>● August, 2017: Discussing IESBA Code regarding changes to the code addressing the long association of personnel with an audit or assurance client for audits of public interest entities and cooling-off period in paragraphs 290.153~290.157</li> <li>● April, 2018: Acknowledging for 2018 IESBA Code regarding changes of substance from the 2016 Extant Code</li> <li>● September &amp; October, 2019: Participate in the IESBA webinars regarding the newly effective code of Ethics.</li> <li>● July &amp; October, 2019 and January, 2020 : Discussing 2018 IESBA Code issues and planning a research project regarding convergence of NFCPAAROC Code with 2018 IESBA Code of Ethics,</li> </ul>	Ongoing  Completed	ECC	ECC
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Status as of Date of Publication 2018.

		<ul style="list-style-type: none"> <li>● November, 2021: Awareness of the main revisions of 2021 IESBA Code.</li> <li>● September, 2022: Awareness of the main revisions of 2022 IESBA Code.</li> </ul>			
31-1	2020~2023	<p>Plan, discuss and revise the necessary changes regarding the convergence of NFCPAAROC Code with 2018 IESBA Code of Ethics.</p> <ul style="list-style-type: none"> <li>● revising and issuing NFCPAAROC Code #1、#3~#12 from August 2022 to July,2023</li> <li>● keeping the revision of NFCPAAROC Code in 2023</li> </ul>	<p>Completed</p> <p>Ongoing</p>	ECC	ECC
32	Ongoing	Distribute the NFCPAAROC Code to the applying practicing CPAs who are requested to sign a CPA practicing declaration adhering to the NFCPAAROC Code, and, if appropriate, discuss the NFCPAAROC Code – related issues in DC seminars on irregular basis.	Ongoing	PEC	PEC
<i>Maintaining Ongoing Processes</i>					
32-1	Ongoing	Training seminars, publications, and updates of CPD programs covering current and topical issues relating to ethics.	Ongoing	PEC	PEC
32-2	Ongoing	Continue to use best endeavors to support the implementation of the IESBA Code through participating in the IESBA webinars and planning to incorporate updates to its CPD programs where necessary.	Ongoing	ECC PEC	ECC

33	Ongoing	Support ongoing adoption and implementation of the IESBA Code of Ethics. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	ECC	ECC
34	Ongoing	Continue to review of IESBA exposure drafts and submission of comment letters. Examples: In 2016, <ul style="list-style-type: none"> <li>● Improving the Structure of the Code of Ethics for Professional Accountants—Phase I</li> <li>● Proposed Revisions Pertaining to Safeguards in the Code—Phase 1</li> </ul>	Ongoing  Completed	ECC	ECC  <a href="http://www.ifac.org/system/files/publications/exposure-drafts/comments/20160412153621809.pdf">http://www.ifac.org/system/files/publications/exposure-drafts/comments/20160412153621809.pdf</a>  <a href="http://www.ifac.org/system/files/publications/exposure-drafts/comments/20160406161018114002.pdf">http://www.ifac.org/system/files/publications/exposure-drafts/comments/20160406161018114002.pdf</a>
35	Ongoing	Review IFAC Digest, Gateway and information regarding IESBA E-news. In addition, convey the important messages to ECC for reference as a way to contribute to activities of the IESBA.	Ongoing	IAC	IAC

36	Ongoing  2014~2022	<p>Continue to notify members of revised NFCPAAROC Code through our website.</p> <p>Examples:</p> <p>August, 2014 : Revised NFCPAAROC Code #3 “Advertisement, Promotion and Business Development” referring to other professional rules</p> <p>August, 2014 : Revised NFCPAAROC Code #5 “Confidentiality” corresponding implementation of “Personal Information Protection Act”</p> <p>The above revisions of NFCPAAROC Code are approved by FSC in July and June, 2014, respectively.</p> <p>July, 2017 : Revised NFCPAAROC Code #1 “The Norm of Professional Ethics for Certified Accountant of R.O.C” referring to compliance with Laws and Regulations</p> <p>July, 2017: Revised NFCPAAROC Code #10 “Integrity, Objectivity and Independence” referring to independence</p> <p>October,2017:Revised NFCPAAROC Code #5 ”Confidentiality” referring to Money Laundering Control Act .</p> <p>December, 2022: CPD course “Latest revision and analysis of NFCPAAROC Code~ the convergence with IESBA Code of Ethics”</p>	Ongoing  Completed	ECC	<p>ECC</p> <p><a href="http://www.roccpa.org.tw/news/index.php?time_start=&amp;time_end=&amp;keywords=%E8%81%B7%E6%A5%AD%E9%81%93%E5%BE%B7%E8%A6%8F%E7%AF%84&amp;mode=search">http://www.roccpa.org.tw/news/index.php?time_start=&amp;time_end=&amp;keywords=%E8%81%B7%E6%A5%AD%E9%81%93%E5%BE%B7%E8%A6%8F%E7%AF%84&amp;mode=search</a></p> <p><a href="http://www.roccpa.org.tw/news/index.php?time_start=&amp;time_end=&amp;keywords=%E8%81%B7%E9%81%93%E5%85%AC%E5%A0%B1&amp;mode=search">http://www.roccpa.org.tw/news/index.php?time_start=&amp;time_end=&amp;keywords=%E8%81%B7%E9%81%93%E5%85%AC%E5%A0%B1&amp;mode=search</a></p> <p><a href="https://www.roccpa.org.tw/apply/more?id=89ba7d5fa2104aeab2981d4f9e411128">https://www.roccpa.org.tw/apply/more?id=89ba7d5fa2104aeab2981d4f9e411128</a></p> <p><a href="https://www.roccpa.org.tw/news/more?id=c7f604f80e80428ebb5ae8d237806395">https://www.roccpa.org.tw/news/more?id=c7f604f80e80428ebb5ae8d237806395</a></p>
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37	Ongoing	The cases of non-compliance NFCPAAROC Code members would be settled by the provincial or municipal CPA association which the members join. Besides, the cases might be referred to CPA Discipline Committee if necessary.  Sanction is given and imposed by CPA Discipline Committee instead of NFCPAAROC.	Ongoing	CDC	CDC
37-1	April, 2020	A discipline reporting mailbox was provided on NFCPAAROC's website for NFCPAAROC members to lodge complaints on violation of NFCPAAROC Code.	Ongoing	DC	DC
<i>Review of NFCPAAROC's Compliance Information</i>					
38	Ongoing	Perform periodic review of NFCPAAROC's SMO Action Plan and update sections relevant to SMO 4 as necessary. Once updated inform IFAC Compliance staff regarding the updates in order for the Compliance staff to publish the updated information.	Ongoing	ECC	ECC

**Action Plan Subject:** SMO 5- International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:** Use Best Endeavors to Assist in the Adoption and Implementation of IPSASs in R.O.C

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background: (Applicability Framework (Ref to SMO5 5.(b)): No responsibility for the area covered by this SMO)</i></p> <p>The Directorate General of Budget, Accounting &amp; Statistics (BAS), Executive Yuan, is responsible for adopting public sector accounting standards in R.O.C. The NFCPAAROC has been working on interacting with BAS and the relevant government agencies to promote the adoption of IPSASs. In order to play an active role and to provide support of IPSASs, NFCPAAROC participates in the meetings of the Committee for Government Accounting Standards and contributes in the formulation of Government Accounting Standards. BAS has taken actions in relation to IPSASs related projects, such as assigning universities to do research regarding IPSASs, in relation to R.O.C and the government accounting systems of other countries' in 2013 and 2014. Efforts included visiting other countries and being educated on their government accounting practices which adopts IPSASs.</p> <p>The Government of R.O.C uses accounting standards based on its own standards which adopt a system of accounting on the accrual basis except for cash-basis cashiering activities of the treasury according to Article 17 of the Accounting Act. In R.O.C, the procedures for set-up and approval of general accounting system of the central government shall be undertaken by Central BAS Authority which is defined in article 18 of the Accounting Act.</p> <p>In order to strengthen the accounting quality of our public sectors, BAS has announced revised versions of Governmental Accounting Concepts Statements No.1~No.3 and Governmental Accounting Pronouncement No.1~9 which refer to IPSASs and advanced countries practices, have been implemented on November 1, 2016. The updated Governmental Accounting information could be found on the NFCPAAROC 's website.</p> <p>Adoption of accounting standards for Government is beyond NFCPAAROC's mandate. However, NFCPAAROC has continued to engage in efforts to promote best practices to BAS and encourage the BAS to contribute to IPSASB ' projects. For further actions to activities regarding promotion and encouragement for IPSAS adoption, please see below.</p>					
<p><i>Promote the Adoption and Implementation of IPSASs in R.O.C</i></p>					

39	2016	Commenting the BAS Exposure Drafts on Governmental Accounting Concepts Statements, Governmental Accounting Pronouncement and General Accounting System of Government	Completed	AAC/ARDF/ Industry/ Official / Universities	AAC
40	Ongoing	Identify opportunities to engage with the relevant government agencies to promote the adoption of IPSASs.	Ongoing	AAC	AAC
41	2018	Join a project with IFAC and the <a href="#">Chartered Institute of Public Finance and Accountancy</a> (CIPFA) to invite BAS to participate in filling out the on-line questionnaire survey of the International Public Sector Financial Accountability Index as well as convey the related 2018 Status Report published in November 5, 2018 to BAS.	Completed	BAS	BAS <a href="http://www.ifac.org/publications-resources/international-public-sector-financial-accountability-index-2018-status-report">http://www.ifac.org/publications-resources/international-public-sector-financial-accountability-index-2018-status-report</a>
41-1	2020	The Research on the Practice of Taiwan's Governmental Accounting for Implementing International Public Sector Accounting Standards (IPSASs)	Completed	BAS	BAS <a href="https://www.dgbas.gov.tw/public/Data/11201048230M26MH07.pdf">https://www.dgbas.gov.tw/public/Data/11201048230M26MH07.pdf</a>
41-2	2021~2023	Join OECD meetings of the Working Party on Financial Management and Reporting to keep abreast of the IPSASB and IPSASs' latest relevant matters.	Ongoing	BAS	BAS <a href="https://report.nat.gov.tw/ReportFront/ReportDetail/detail?sysId=C11200351">https://report.nat.gov.tw/ReportFront/ReportDetail/detail?sysId=C11200351</a>
<i>Training</i>					



42	Ongoing	Encourage members commenting Exposure Drafts on IPSAS and visiting IFAC website on pronouncements issued by IPSASB	Ongoing	IAC	<a href="#">IAC</a>
<i>Maintaining Ongoing Processes</i>					
43	Ongoing	Support ongoing adoption and implementation of IPSAS pronouncements. This includes review of the implementation of the Action Plan to date and updating the Action Plan for future activities as necessary.	Ongoing	AAC	AAC

**Action Plan Subject:** SMO 6-Investigation and Discipline  
**Action Plan Objective:** Further Develop NFCPAAROC's I & D System

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background: (Applicability Framework (Ref to SMO6 4. (C)): Shared responsibility with government, regulators, or other appointed authorities.)</i></p> <p>The Discipline Committee of NFCPAAROC (DC) is a self-regulated Discipline Committee and is responsible for setting Discipline Notifications according to the CPA Act, the NFCPAAROC Articles and Code of Ethics, and investigating complaints regarding CPA disciplinary issues.</p> <p>A standalone Professional Responsibility Investigation Committee (PRIC) exists to deal with an assigned investigation regarding CPA professional responsibility in civil, criminal, administration or discipline. PRIC is composed of individuals from different professional backgrounds, including scholars, CPAs, and persons with relevant professional expertise.</p> <p>The CPA Discipline committee (CDC) includes representatives assigned by FSC from CPA associations, scholars in Law or Accounting and an administrative agencies.</p> <p>Should a complaint be raised by any CPA or transferred from the Discipline Committees of the provincial and municipal CPA associations, the DC investigates these allegations. Should the DC find proof to the complaint, it will table its findings and submit recommendations of disciplinary actions to make the final decision by the Board of Directors and if appropriate, the NFCPAAROC will report cases to the CDC under the FSC. Should the DC find no evidence to the allegations, it will conclude and dissolve the case. To enhance the discipline communication channel, DC has set up a discipline special area providing a discipline reporting mailbox on NFCPAAROC's website since 2020 for receiving complaints lodged from members. Such complaints must be supported by documentary evidence and the complaints will be referred to DC.</p> <p>Besides, FSC may void or revoke the approval it has given to a CPA, or to the CPA firm thereof, to conduct the auditing and attesting service on financial reports of public companies when the CPA firm refuses to participate in the peer review, or the result of the peer review is substandard, and it is required to make improvement within a specified time period but fails to do so in accordance with Regulations Governing Approval of Certified Public Accountants to Audit and Attest to the Financial Reports of Public Companies.</p> <p>The FSC was informed by the European Commission on June 28, 2013 that the public oversight, quality assurance, investigation and penalty systems for auditors and audit entities of R.O.C is considered as an equivalent to the functions of the EU Member States. It takes effect from August 1, 2012. (Ref to <a href="http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2013.163.01.0026.01.ENG.">http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2013.163.01.0026.01.ENG.</a>)</p> <p>For more information regarding discipline matters and penal provisions, please refer to Article 61~75 of CPA Act.</p>					
<p><i>Review of the Investigation and Disciplinary (I&amp;D) System</i></p>					

44	Ongoing	Ongoing evaluation & review of the I&D system to ensure it is operating effectively and conforms to SMO 6 requirements. The specific action for this will be through a bench marking exercise which will enable assessment of NFCPAAROC's I & D system with those of other accounting institutes' well developed I & D systems. Timely implement findings which highlight that implementation gaps exist.	Ongoing	DC	DC
45	Ongoing	Organize DC in accordance with By-Law of NFCPAAROC. DC constitutes of 11-51 members to handle the disciplinary related matters	Ongoing	DC	DC
46	February 2010	The purpose of holding a grand opening regarding the first representatives of PRIC were elected in 2010 was to let public aware that an Investigating Committee system exists in our jurisdiction, and if need, we could play an important role in natural justice and effectively serve the public interest.  And if there are any cases concluded, we will summarize in the annual report.	Completed	PRIC	PRIC
47	Ongoing	Enact 'Discipline Notifications" in terms of CPA Act, NFCPAAROC by-law and Code of Ethics.	Ongoing	DC	DC
CPD and training activities					
48	Ongoing	Conduct CPD courses, guidance publications (Discipline Notifications) and training seminars related to discipline regulation and the analysis of the discipline cases to CPAs.	Annually	DC	DC <a href="https://www.roccpa.org.tw/news/more_nomal?id=5e72e54132344061905918ea20562c79">https://www.roccpa.org.tw/news/more_nomal?id=5e72e54132344061905918ea20562c79</a> <a href="https://www.roccpa.org.tw/apply/more?id=592ff8e4e613404785865fd10b45b414">https://www.roccpa.org.tw/apply/more?id=592ff8e4e613404785865fd10b45b414</a>
Maintaining Ongoing Processes					

49	Ongoing	Ensure NFCPAAROC's investigation and disciplinary mechanism continues to addresses all SMO 6 requirements. This includes review of the existing mechanism and updating the Action Plan for future activities where necessary.	Ongoing	DC	DC
50	Ongoing	Raise awareness of discipline requirements to members and encourage them to make an appeal on any breach of discipline any time through NFCPAAROC website.	Ongoing	DC	DC <a href="https://www.roccpa.org.tw/news/list?id=110b6ceaa3824df59aea6e819e942671">https://www.roccpa.org.tw/news/list?id=110b6ceaa3824df59aea6e819e942671</a> <a href="https://www.roccpa.org.tw/books/index?id=3595b52ba45843b5981437d82be7633d">https://www.roccpa.org.tw/books/index?id=3595b52ba45843b5981437d82be7633d</a>
51	Ongoing	Continuously conduct investigation of those underground firm and reported to FSC for punishment.	Ongoing	DC	DC
52	Ongoing	Raise awareness of the existing investigative and disciplinary system and disclose the summarized results of investigative and disciplinary proceedings to public through FSC website	Ongoing	FSC	FSC <a href="http://www.fsc.gov.tw/ch/home.jsp?id=54&amp;parentpath=0,6">http://www.fsc.gov.tw/ch/home.jsp?id=54&amp;parentpath=0,6</a> <a href="https://www.sfb.gov.tw/en/home.jsp?id=232&amp;parentpath=0%2C117%2C228">https://www.sfb.gov.tw/en/home.jsp?id=232&amp;parentpath=0%2C117%2C228</a> SFB <a href="https://www.sfb.gov.tw/en/home.jsp?id=233&amp;websitelink=artwebsite.jsp&amp;parentpath=0,117,228">https://www.sfb.gov.tw/en/home.jsp?id=233&amp;websitelink=artwebsite.jsp&amp;parentpath=0,117,228</a>

*Review of NFCPAAROC's Compliance Information*

53	Ongoing	Perform periodic review of NFCPAAROC's SMO Action Plan and update sections relevant to SMO 6 as necessary. Once updated inform IFAC Compliance staff regarding the updates in order for the Compliance staff to publish the updated information.	Ongoing	DC	DC
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Self-assessment of NFCPAAROC's I&D System and SMO 6 Requirements

Requirements	Y	N	Partially	Comments
<b>Scope of the System</b>				
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.	✓			
2. Information about the types of misconduct which may bring about investigative actions is publicly available.	✓			
<b>Initiation of Proceedings</b>				
3. Both a "complaints-based" and an "information-based" approach are adopted.	✓			
4. Link with the results of QA reviews has been established.	✓			
<b>Investigative Process</b>				
5. A committee or similar body exists for performing investigations.	✓			
6. Members of a committee are independent of the subject of the investigation and other related parties.	✓			
<b>Disciplinary Process</b>	✓			

Requirements	Y	N	Partially	Comments
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.				
8. Members of the committee/entity include professional accountants as well as non-accountants.	✓			
9. The tribunal exhibits independence of the subject of the investigation and other related parties.	✓			
<b>Sanctions</b> 10. The disciplinary system allows imposing an extensive range of penalties. It is particularly important to include (a) loss of professional designation; (b) restriction and removal of practicing rights; and (c) exclusion from membership.	✓			
<b>Rights of Representation and Appeal</b> 11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.	✓			FSC
<b>Administrative Processes</b> 12. Timeframe targets for disposal of all cases are set.			✓	Depending on the individual circumstances of cases, timeframe targets of the disciplinary process would be set once the cases are scheduled in DC meetings.
13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.	✓			
14. Records of investigations and disciplinary processes are established.	✓			

Requirements	Y	N	Partially	Comments
<b>Public Interest Considerations</b> 15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.			✓	The investigative and disciplinary system is disclosed on the FSC website.
16. A process for the independent review of complaints on which there was no follow-up established.		✓		
17. The results of the investigative and disciplinary proceedings are made available to the public.			✓	Severe disciplinary actions arising from violations of the CPA Act, Securities and Exchange Act are disclosed on the FSC website
<b>Liaison with Outside Bodies</b> 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.			✓	Except requested by law and regulations, NFCPAAROC does not have in place a formal process for sharing information with statutory bodies. However, if requested by statutory bodies (e.g. FSC or courts), NFCPAAROC would liaison with statutory bodies on the significant involvement in serious crimes and offences.
<b>Regular Review of Implementation and Effectiveness</b> 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	✓			

**Action Plan Subject:** SMO 7- International Financial Reporting Standards and Other Pronouncements issued by the IASB  
**Action Plan Objective:** Continue to Use Best Endeavors to Maintain and Improve an Ongoing program for Adoption and Implementation of IFRS

#	Start Date	Actions	Completion Date	Responsibility	Resource
<p><i>Background: (Applicability Framework (Ref to SMO7 5 (b): No responsibility for the area covered by this SMO.)</i></p> <p>FSC and ARDF are given authority to set accounting standards in R.O.C in accordance with the Securities and Exchange Act, Regulations governing the preparation of Financial Reports by securities issuers Business, Entity Accounting Act, the Regulation on Business Entity Accounting handling, related Ministry of Economic Affairs interpretative rules.</p> <p>All standards (including IFRS Standards and IAS Standards) and related interpretations are translated into traditional Chinese by ARDF and are ratified as TIFRS, which is converged with IFRS, by the FSC, a government agency.</p> <p>In R.O.C, we have ROC Accounting Standard (ROC AS) which was convergent to USA Accounting Standard in early years. As of January 1, 2013 in accordance with the administrative order of FSC, IFRS are the only standards to be complied with for listed companies. Listed companies and financial institutions, except credit cooperatives, credit card companies, and insurance intermediaries, are required to prepare financial reports using TIFRS starting in 2013. Unlisted public companies, credit cooperatives and credit card companies follow the rule thereafter from 2015.</p> <p>Non-public companies have an option to choose to prepare their financial reports according to TIFRS or Enterprise Accounting Standard and its interpretations (EAS), which is based on 2013 version of IFRSs (or IFRSs for SMEs) and modified in accordance with local practices and regulations, issued by ARDF and is taken effect in 2016.</p> <p>In the TIFRS and EAS setting process, NFCPAAROC actively supports the adoption of IFRS by collaborating with ARDF and providing review opinions on exposure drafts. To Facilitate the adoption of IFRS, NFCPAAROC offers CPD courses covering the latest accounting standards updates and disseminates financial reporting standards information on the NFCPAAROC’s website and other publications.</p> <p>For more information regarding Translated and currently being applied IFRSs version, please visit FSC website at <a href="http://163.29.17.154/ifrs/index.cfm?act=ifrs_2022_approved">http://163.29.17.154/ifrs/index.cfm?act=ifrs_2022_approved</a></p>					
<p><i>Ongoing Program for Adoption and Implementation of IFRS</i></p>					



54	Ongoing	Began developing a work program to support the implementation of IFRS in R.O.C and carrying out the work program by each task force team in 2009. Continue to revise "Regulations Governing the Preparation of Financial Reports by Securities Issuers" to align with the latest IFRSs.	Ongoing	FSC	FSC <a href="https://www.sfb.gov.tw/ch/home.jsp?id=88&amp;parentpath=0,3&amp;customize=lawnews_view.jsp&amp;d_ataserno=201901240003">https://www.sfb.gov.tw/ch/home.jsp?id=88&amp;parentpath=0,3&amp;customize=lawnews_view.jsp&amp;d_ataserno=201901240003</a>
54-1	Ongoing	Continue to hold IFRSs propagandas regarding the current key IFRS issues in practice.	Ongoing	TWSE	TWSE <a href="https://www.twse.com.tw/IFRS/learningAction">https://www.twse.com.tw/IFRS/learningAction</a>
55	Ongoing	ROC Accounting Standard (ROC AS) is now being fully converged with IFRS and all related pronouncements with no amendments. Continue to translate the newly released (revised)IFRSs and develop a set of IFRS Q&As.	Ongoing	ARDF	ARDF <a href="http://www.ardf.org.tw/english/tifrs1.html">http://www.ardf.org.tw/english/tifrs1.html</a> and <a href="http://www.ardf.org.tw/tifrs4.html">http://www.ardf.org.tw/tifrs4.html</a>
56	Ongoing	Organize AAC in accordance with functional committee organizing principle of NFCPAAROC. AAC constitutes of 11~51 members to handle the accounting and auditing related matters	Ongoing	AAC	AAC
57	Ongoing	Provide CPD training and education courses on IFRS, IAS and EAS.	Ongoing	PEC	PEC

58	Ongoing	Use best endeavors to identify opportunities to further assist in implementation of IFRS. This entails updating and reviewing the Action Plan for further activities where necessary.	Ongoing	IAC AAC	IAC AAC
59	Ongoing	Continue to provide information on the latest activities of IASB through website <ul style="list-style-type: none"> <li>● Review of IASB exposure drafts and submission of comment letters</li> <li>● IFRS Seminar and keynote speech on IFRSs' latest development and plan</li> </ul>	Ongoing	ARDF	ARDF website : <a href="http://www.ardf.org.tw/iasb.html">http://www.ardf.org.tw/iasb.html</a> <a href="http://www.ardf.org.tw/fas5.html">http://www.ardf.org.tw/fas5.html</a> <a href="https://www.ardf.org.tw/IASB4.html">https://www.ardf.org.tw/IASB4.html</a>
60	Ongoing	Briefing the Implementation of IFRSs	Ongoing	SFB	SFB website : <a href="http://www.sfb.gov.tw/en/home.jsp?id=96&amp;parentpath=0,4">http://www.sfb.gov.tw/en/home.jsp?id=96&amp;parentpath=0,4</a>

61	Ongoing	Participate in International meetings and workshops to exchange Information and views on IFRSs: <u>International Organization of Securities Commissions (IOSCO)</u>	Ongoing	SFB	SFB (IOSCO) <a href="https://report.nat.gov.tw/ReportFront/ReportSiteSearch?1=1#gsc.tab=0&amp;gsc.q=IOSCO%E6%9C%83%E8%A8%88%E5%AF%A9%E8%A8%88%E5%8F%8A%E8%B3%87%E8%A8%8A%E6%8F%AD%E9%9C%B2%E5%A7%94%E5%93%A1%E6%9C%83&amp;gsc.sort=">https://report.nat.gov.tw/ReportFront/ReportSiteSearch?1=1#gsc.tab=0&amp;gsc.q=IOSCO%E6%9C%83%E8%A8%88%E5%AF%A9%E8%A8%88%E5%8F%8A%E8%B3%87%E8%A8%8A%E6%8F%AD%E9%9C%B2%E5%A7%94%E5%93%A1%E6%9C%83&amp;gsc.sort=</a>
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<i>IFRS For SMEs</i>					
62	August 2010	Embark on a program of seminars and workshops for the entire country on the IFRS for SMEs and the upcoming SMEs Accounting standards which will be considered for the adoption of simplified IFRSs instead of IFRS for SMEs. Training seminars are scheduled for: <ul style="list-style-type: none"> <li>• December 2014</li> <li>• December 2015</li> </ul>	Completed	PEC	PEC
63	December 2012	Assess and Evaluate the adoption of IFRS for SMEs.	Completed	SMEC	SMEC
64	2015	Released Enterprise Accounting Standards(EAS)#1~#23	Completed	ARDF	ARDF website <a href="http://www.ardf.org.tw/english/eas1.html">http://www.ardf.org.tw/english/eas1.html</a>

64-1	ongoing	Release differences between EAS and TIFRS	Ongoing	ARDF	ARDF's website <a href="http://www.ardf.org.tw/eas2015/eas00.pdf">http://www.ardf.org.tw/eas2015/eas00.pdf</a> (Chinese version only)
<i>Review of NFCPAAROC's Compliance Information</i>					
65	Ongoing	Perform periodic review of NFCPAAROC's SMO Action Plan and update sections relevant to SMO 7 as necessary. Once updated inform IFAC Compliance staff regarding the updates in order for the Compliance staff to publish the updated information.	Ongoing	AAC	AAC