

September 18, 2017

Mr. David McPeak
Principal
International Accounting Education Standards Board
International Federation of Accountants
277 Wellington Street West, 8th Floor
Toronto, Ontario M5V 3H2

Dear David,

RE: Exposure Draft on the proposed revision of IES 7, Continuing Professional Development

I am writing on behalf of the Chartered Professional Accountants of Canada (CPA Canada) in response to your request to comment on the Exposure Draft entitled Proposed Revision of IES 7, Continuing Professional Development (“the Exposure Draft”).

CPA Canada is the national body of Canada’s accounting profession, with more than 200,000 members both at home and abroad. The Canadian CPA designation was created with the unification of three legacy accounting designations (CA, CGA, and CMA). CPA Canada conducts research into current business issues and supports the setting of accounting, auditing and assurance standards for business, not-for-profit organizations and government. It issues guidance on control and governance, publishes professional literature, develops continuing education programs and represents the Canadian CPA profession nationally and internationally.

CPA Canada acknowledges the significant work completed by the IAESB (the Board) over the past four years in the revision of its eight International Education Standards (IES). We believe that education standards reflecting best practices for the initial and continuing professional development of our members contributes to increased competency for professional accountants, and thus to our mandate to protect the public interest. We have reviewed the Exposure Draft and consulted with key stakeholders and offer the following general comments for the Board’s consideration.

Generally, CPA Canada is supportive of moving toward a more principles based method of reporting continuing professional development (CPD) by member bodies and we are pleased with the Board’s recommendation to enhance the explanatory material included in the revised standard. In particular, we are in agreement with the proposed CPD Framework, which provides the member bodies with a clear process that can be used by members to assess their CPD requirements.



CPA Canada also recognizes that member bodies are faced with differing circumstances and challenges with respect to implementation of CPD requirements and we are pleased that the revised standard continues to provide member bodies with the flexibility in selecting between output-based, input-based systems or both. CPA Canada believes that, because of its flexibility and focus on learning outcomes, an output-based CPD reporting system would be welcomed by many professional accountants. However, we also recognize the challenges of moving to an output-based system and appreciate the additional guidance included in the revised draft standard.

CPA Canada is generally supportive of the proposed amendments to IES 7. However, it was noted through our discussions with regulatory bodies in Canada that the removal of the specific number of hours for the input-based model will provide the member bodies with the discretion to set their own limits. There was a concern expressed that this change would result in inconsistent standards across the accounting profession.

Specific comments to the questions contained in the exposure draft are provided below.

Question 1: Is the objective statement of the Proposed IES 7 appropriate and clear?

CPA Canada believes the Objective Statement of the Proposed IES 7 is clear. We have no further comments or concerns.

Questions 2: Are the requirements of the Proposed IES 7 appropriate and clear?

CPA Canada believes the Requirements of the Proposed IES 7 are appropriate and clear. In particular, we support the changes to focus on the accountant's role.

Question 3: Are there any additional explanatory paragraphs needed to better explain the requirements of the proposed IES?

Paragraph A14 may require more clarification as to what is considered a "career break" and some direction as to when an individual is considered to be "retired". For example, is a retired member an accountant who is no longer practicing in a professional capacity or would an individual who is otherwise retired but still undertaking work of a volunteer nature be required to complete CPD?

Question 4: Do proposed revisions to the output-based approach requirement and related explanatory material improve understanding and your ability to apply an output-based measurement approach. If not, what suggestions do you have to improve clarity of the output-based approach?

CPA Canada recognizes that an output-based approach to CPD focusing on learning outcomes would support a more holistic view to the development and maintenance of professional competency when compared to input-based measure such as hours of structured learning. Additional guidance as to how a member would demonstrate learning outcomes may provide additional support to member



organizations interested in moving to an output-based system. In the absence of guidance, the Board may also consider developing best practices based on the experiences of those jurisdictions who have already moved to an output-based model.

Question 5: *Are there any terms within the Proposed IES 7 which require further clarification. If so, please explain the nature of the deficiencies.*

CPA Canada is satisfied with the terms as presented.

Question 6: *Do you anticipate any impact or implications for your organization, or organizations with which you are familiar in implementing the requirements included in this proposed IES 7.*

Given the revised standard maintains the ability for a member body to select an input or output-based model, there appears to be no significant impact or implications to the Canadian CPA Profession as reporting could continue with the status quo. However, as stated above, the removal of the requirement for the 120 hours under the input-based method could lead to members challenging any hour requirement implemented by a member body resulting to an overall lowering of the current requirements.

Question 7: *What topics or subject areas should implementation guidance cover?*

It would be helpful if the Board were to provide additional guidance as to how verifiable and non-verifiable learning outcomes would be measured in output-based reporting and how a member body or regulator could monitor an output-based system.

We thank you for the opportunity to comment on this Exposure Draft and appreciate that further revisions to these proposals may result through the feedback provided by stakeholders.

Yours truly,

A handwritten signature in black ink that reads "Tashia Batstone". The signature is written in a cursive, flowing style.

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