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   3.4. Successful Candidates of the CPA Exam
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1. Accounting Profession and Qualifications

- **Certified Public Accountants (CPA)**
  The Japanese Institute of Certified Public Accountants (JICPA) is a member body of IFAC. 29,246 are registered at the end of March 2017.

- **Certified Public Tax Accountants (CPTA)**
  CPA is eligible to be registered as a CPTA. 76,269 are registered at the end of Oct 2016.

- **Other qualifications and examinations:**
  - Business Skill Test in Bookkeeping (3 times a year, degrees 1-3), provided by Chamber of Commerce and Industry. 560,000 applicants in total during 2016.
  - Bookkeeping and Accounting Test for International Communication (BATIC), based on IFRS, in English.
### 2. JICPA Membership

<table>
<thead>
<tr>
<th>PAO</th>
<th>Country</th>
<th>Members</th>
<th>Population</th>
<th>One in ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>JICPA</td>
<td>Japan</td>
<td>29,246</td>
<td>126,980,000</td>
<td>4,342</td>
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<tr>
<td>AICPA</td>
<td>USA</td>
<td>412,000</td>
<td>321,600,000</td>
<td>781</td>
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<td>CPA Canada</td>
<td>Canada</td>
<td>200,000</td>
<td>35,830,000</td>
<td>179</td>
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<tr>
<td>ICAEW</td>
<td>UK</td>
<td>144,000</td>
<td>65,110,000</td>
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<td>ICAS</td>
<td>UK</td>
<td>20,000</td>
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<tr>
<td>CA Ireland</td>
<td>Ireland</td>
<td>21,000</td>
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<td>HKICPA</td>
<td>Hong Kong</td>
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<td>7,310,000</td>
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<tr>
<td>SAICA</td>
<td>South Africa</td>
<td>40,000</td>
<td>54,960,000</td>
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<tr>
<td>IDW</td>
<td>Germany</td>
<td>13,000</td>
<td>82,180,000</td>
<td>6,322</td>
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</table>

Number of members - [http://www.globalaccountingalliance.com/globalaccountingalliance/Alliance-Members](http://www.globalaccountingalliance.com/globalaccountingalliance/Alliance-Members)
Population - IMF - World Economic Outlook Databases (2016OCT)
2. JICPA Membership

Educational Background

- B.A.: 88
- Master's/Ph.D: 4
- Other: 8

Female CPAs

- 20s: 20%
- 30s: 17%
- 40s: 16%
- 50s: 12%
- 60s: 3%

Auditors/Tax Accountants

- 20s: 77%
- 30s: 60%
- 40s: 46%
- 50s: 46%
- 60s: 68%
- 70s: 78%

As of 31 March 2017
3. IPD ➢ 3.1. Becoming a CPA

FSA (CPAAOB) | JFAEL | JICPA | FSA | JICPA

CPA Exam
- Multiple Choice Test
- Essay Test

Professional Accountancy Education (3 years)

Final Assessment

CPA

Practical Experience (more than 2 years)

JICPA Membership
- Associate
- Full

FSA: Financial Services Agency  CPAAOB: Certified Public Accountants and Auditing Oversight Board  JFAEL: Japan Foundation for Accounting Education and Learning
3.2. CPA Exam

- CPA Exam is open to non-accounting majors
- Subjects and Timetable

<table>
<thead>
<tr>
<th>Multiple Choice Test</th>
<th>Date</th>
<th>Start</th>
<th>End</th>
<th>Hour</th>
<th>Subjects</th>
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<td></td>
<td>Sunday, 12/6/2015 5/29/2016</td>
<td>9:30</td>
<td>10:30</td>
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<td>Business law</td>
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<tr>
<td></td>
<td></td>
<td>11:30</td>
<td>12:30</td>
<td>1:00</td>
<td>Managerial accounting</td>
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<tr>
<td></td>
<td></td>
<td>14:00</td>
<td>15:00</td>
<td>1:00</td>
<td>Auditing</td>
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<tr>
<td></td>
<td></td>
<td>16:00</td>
<td>18:00</td>
<td>2:00</td>
<td>Financial accounting and reporting</td>
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<table>
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<th>End</th>
<th>Hour</th>
<th>Subjects</th>
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<td>16:30</td>
<td>2:00</td>
<td>Tax law</td>
</tr>
<tr>
<td></td>
<td>Saturday, 8/20/2016</td>
<td>10:30</td>
<td>12:30</td>
<td>2:00</td>
<td>Financial accounting and managerial accounting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>14:30</td>
<td>17:30</td>
<td>3:00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sunday, 8/21/2016</td>
<td>10:30</td>
<td>12:30</td>
<td>2:00</td>
<td>Business law</td>
</tr>
<tr>
<td></td>
<td></td>
<td>14:30</td>
<td>16:30</td>
<td>2:00</td>
<td>Selective (*)</td>
</tr>
</tbody>
</table>

(*) Select one subject from four electives below
- Business administration
- Economics
- Civil code
- Statistics
3.3. Pass Rates of CPA Exam

![Graph showing Pass Rates of CPA Exam from 2001 to 2016.](image-url)
3.4. Successful Candidates of the CPA

**Occupation**
- Students: 41.7%
- Prep. School Students: 17.9%
- Employed: 26.6%
- Unemployed: 13%
- Other: 0.8%

**Academic Background**
- B.A.: 47.4%
- Master's/Ph.D: 29.2%
- Undergraduates: 11.1%
- Other: 3.6%
- Graduate Students: 8.7%
3.5. Professional Accountancy Education

- Term: 3 years (can be shortened based on pre-Exam practical experiences)
- Administration: Japan Foundation for Accounting Education and Learning (JFAEL)
- Those who can sit for Final Assessment (given once a year)
  1. Lectures
     270 credits to be earned
  2. Interim assessments
     10 interim assessments
     60 or more credits in total, and 4 or more credits in each assessment should be earned
  3. Subject studies
     6 subject studies required
     36 or more credits in total, and 4 or more credits in each study
- Costs: JPY 255,000 (approximately USD 2,550), Admission fee JPY 15,000 (USD 150)
- Held mainly in the evening and on Saturdays
3.6. Pass Rates of Final Assessment

Pass Rates of Final Assessment

- Applicants
- Successful Candidates
- Pass Rate

- 2001: 61.5%
- 2002: 61.6%
- 2003: 62.0%
- 2004: 65.4%
- 2005: 65.2%
- 2006: 68.2%
- 2007: 69.1%
- 2008: 70.3%
- 2009: 67.0%
- 2010: 70.3%
- 2011: 65.4%
- 2012: 65.6%
- 2013: 64.3%
- 2014: 66.6%
- 2015: 66.6%
- 2016: 64.3%

Pass Rates over Time:
- 2001: 61.5%
- 2002: 61.6%
- 2003: 62.0%
- 2004: 65.4%
- 2005: 65.2%
- 2006: 68.2%
- 2007: 69.1%
- 2008: 70.3%
- 2009: 67.0%
- 2010: 70.3%
- 2011: 65.4%
- 2012: 65.6%
- 2013: 61.9%
- 2014: 65.3%
- 2015: 65.6%
- 2016: 66.6%
3.7. Practical Experience

- Candidates are required to gain relevant practical experience by working in accounting/audit firms or in industry for a minimum of two years.
- The JICPA provides assistance for candidates in obtaining their positions in firms or businesses.
4. CPD ➢ 4.1. CPD Requirements & Monitoring

- Measurement: Input-based approach
  - Complete at least 120 credits in each rolling three-year period; and
  - Complete at least 20 credits in each year
- Mandatory CPE credits
  - 2 credits in professional ethics, and 2 credits in tax are mandatory for all CPAs.
  - 6 credits in auditing, of which 2 credits in fraud case study, for audit practitioners
- **CPE fulfilment**
  Year ended 31 March 2016: **98.6%** (Prior year: **98.3%**)
- Sanctions if a CPA fails to fulfil:
  - Publication of the names of the CPA who did not comply
  - Suspension of JICPA membership, and requests to the FSA for administrative sanctions, etc.

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CPE: Continuing Professional Education
“CPE Curriculum” is reviewed annually by the JICPA’s “CPE Committee” to incorporate new standards, changes in tax laws, new IT topics, etc.
4.3. Encouraging CPD
4.4. How CPD credits are earned

**CPD by Education Style**
- Seminar Trainings: 77.6%
- Self Studies: 17%
- Writings: 5%
- Lectures: 0.4%

**Seminar Trainings by Provider**
- JICPA Headquarters: 37.3%
- Audit Firms: 34.8%
- JICPA Regional: 11.1%
- e-Learnings by JICPA/Firms: 10.1%
- Other Organizations: 6.7%
4.5. Examples of output-based approach

- Short essays are required after self-studies.
- Multiple-choice tests after e-learnings.
- CPE credits are awarded to outputs, including writing articles and books and giving lectures.
- Audit firms utilize group discussion and presentation after learning activities.
Lastly...

Should you have any questions and/or comments, please contact...

• Yoshinori Kawamura
  ykawamur@waseda.jp

• Shinji Takada
  shinji.takada@jp.ey.com

Thank you for your attention.