



**The Japanese Institute of  
Certified Public Accountants**

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Mr. David McPeak

IAESB Technical Director

International Accounting Education Standards Board

International Federation of Accountants

529 Fifth Avenue 6th Floor New York, NY 10017

Dear Mr. McPeak :

**Re: JICPA Comments on the Exposure Draft, *Proposed International Education Standard (IES) 3 Initial Professional Development – Professional Skills (Revised)***

The Japanese Institute of Certified Public Accountants (JICPA) is pleased to comment on the above-captioned Exposure Draft.

**Responses to Specific Questions**

**Question 1**

Do you support the definition of professional skills?

We generally support the proposed definition of professional skills. Paragraph 1 states that “...(P)rofessional skills are the intellectual, personal, interpersonal, communication, and organizational skills that a professional integrates with technical competence and professional values, ethics, and attitudes to demonstrate professional competence.” We understand that, by this statement, the IAESB explains that there is another area that is not covered by either IESs 2 or IES 4, and this includes four sub-areas, collectively categorized as “skills”, namely, (a) intellectual, (b) personal, (c) interpersonal and communication, and (d) organizational skills.

However, we would recommend the Board to consider whether or not it is appropriate to use the term “skills” to describe these areas. From such sayings that, “knowing and doing are two different things,” or “knowledge versus skills,” we believe that professional competence prescribed in IES 2, and professional values, ethics and

attitudes stipulated in IES 4 could also include both areas of knowledge and skills within them. Therefore, as exemplified below, we believe that “Intelligence and Humanity” may be the more appropriate term for these areas than simply saying “skills,” or the term “non-technical” may be considered to correspond to the expression used in the competency area of professional values, ethics and attitudes.

Area		Knowledge	Skills
Technical		IES 2	IES 2
Non-Technical	Intelligence and Humanity	IES 3	IES 3
	Professional values, ethics, and attitudes	IES 4	IES 4

In addition, further clarification would be helpful with relate to the differences between (c) interpersonal and communication, and (d) organizational skills.

### Question 2

Do you support the removal of General Education from this IES?
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We do not agree with the removal of General Education from IES 3.

According to the explanatory memorandum, the IAESB “...has used the Framework (2009) document to highlight the importance of general education as a component of IPD.” However, to what degree the Framework would be referred to by member bodies or other stakeholders remains uncertain with this statement. The Framework may be perceived as a preface or an appendix to the standard, or the importance of General Education may be neglected, as it is no longer the requirement of the standard. We believe that the IAESB should emphasize that general education constitutes the basis for, and an important part of, the IPD stated in IESs 2, 3 and 4.

### Question 3

Is the objective to be achieved by an IFAC member body, stated in the proposed revised IES 3, appropriate?
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Generally speaking, we believe that the objective is appropriate. However, the objective of an IFAC member body cannot be understood properly, unless it is read in conjunction

with paragraph A5. That is, without explanations in paragraph A5, it may be misunderstood that providing professional education for aspiring professional accountants is the objective of a member body. Also, it seems that paragraph A5 provides even more specific objectives, or ultimate objectives, to be achieved by a member body. We believe that this separation of objectives in the standard and the explanatory material may confuse the readers when understanding the standard.

**Question 4**

Do you agree with the adoption of a learning outcomes approach?

We agree with the proposed learning outcomes approach.

Unlike the previous approach where the areas of required skills are simply listed, the learning outcomes approach introduces a new concept of proficiency levels, and tries to specify levels of proficiency for each area that aspiring professional accountants should achieve during the IPD.

However, as the expression used in the standard has become rather abstract, it has become even more difficult to put it into practice. We believe that the list of skills stated in the extant IES 3 is more straightforward and easier to comprehend.

**Question 5**

Table A of the proposed IES 3 provides learning outcomes for various competence areas of professional skills, are there any additional learning outcomes that you would expect from an aspiring professional accountant?

There are no additional learning outcomes that need to be included. We believe that the learning outcomes in Table A are sufficient.

**Question 6**

For Table A of the proposed IES 3 are there any learning outcomes that you do not think are appropriate?

No, the learning outcomes in Table A are appropriate.

**Question 7**

Are the minimum levels of proficiency included in the proposed revised IES 3 appropriate for each professional skills competence area?

We do not have sufficient information to be able to agree or disagree with the proposed minimum levels of proficiency. With the limited information provided in Appendix 1, it is not clear as to how the IAESB decided on the minimum levels of proficiency for each competence area. Therefore, the IAESB needs to explain the reasons as to why the proposed minimum levels of proficiency are essential for each competence area, and why the required proficiency levels in Table A are believed to be sufficient, as a minimum, for each competence area.

#### Question 8

Overall, are the requirements clear and appropriate? If not what changes would you like to see?

They are not clear and appropriate for the following reasons:

1. Table A in paragraph 7 is not clear

As stated in our comments to Question 1, further consideration would be necessary with regards to the differences between the competency areas. Also, we are of the view that it would be challenging to put it into practice, even if we could understand the concept of learning outcomes and minimum levels of proficiency stated in Table A.

Furthermore, although it is stated in paragraph 2 that this standard would also be helpful to educational organizations, employers, regulators, government authorities, and any other stakeholders, we believe that, without more detailed requirements, the implementation would vary between jurisdictions, and this IES would not be useful as an education standard aimed at achieving a consistent implementation internationally.

Such detailed requirements to assist would include, for example, the educational organizations to establish courses and prepare course materials, or assist employers to establish levels of proficiency expected of aspiring professional accountants, or else, guide the regulatory authorities or other licensing authorities to design the examinations that could measure the levels of achievement of aspiring professional accountants during the IPD.

2. As stated in our comments to Question 7, the IAESB needs to explain the reasons as to why the proposed minimum levels of proficiency are essential for each

competence area, and why the required proficiency levels in Table A are believed to be sufficient, as a minimum, for each competence area.

#### Question 9

Do you anticipate any impact or implications for your organization, or organizations with which you are familiar, in implementing the new requirements included in this proposed revised IES 3?

We believe that the new requirements would have significant impact on our institution. As regulatory environments for professional accounting education vary between jurisdictions, in order to implement the proposed requirements, significant amount of work or effort would be required for member bodies and related organizations such as regulatory authorities and educational institutions.

#### Question 10

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

As stated in our comments to Question 7, additional explanatory paragraphs explaining the reasons as to why the proposed minimum levels of proficiency are essential for each competence area, and why the required proficiency levels in Table A are believed to be sufficient, as a minimum, for each competence area would be necessary.

#### Question 11

Have the criteria identified by the IAESB for determining whether a requirement should be specified been applied appropriately and consistently, such that the resulting requirements promote consistency in implementation by member bodies?

We have no objection to the criteria to determine the requirement of the Standard to being a) necessary to achieve the objective stated in the Standard, b) expected to be applicable in virtually all situations to which the Standard is relevant, and c) the objective stated in the Standard is unlikely to have been met by the requirements of other Standards. We agree that the criteria identified by the IAESB promote consistent implementation of requirements by the member bodies.

#### Question 12

Are there any terms within the proposed IES 3 which require further clarification? If so, please explain the nature of the deficiencies.

There are no terms that need further clarification.

**Comments on Other Matters**

It is difficult to see how the indicative verbs listed in the classification of proficiency levels of Appendix 1 relate to those verbs used in the Table A of paragraph 7.

As shown in the list below, there are cases when verbs not listed in Appendix 1 are used in Table A, and verbs listed under the advanced level in Appendix 1 are used to express the intermediate level of proficiency required at a minimum, for a certain competence area in Table A.

Table A			Appendix 1
Competence Area	Learning Outcomes	Minimum Level of Proficiency	
(a) Intellectual	(i) <u>Research</u> and evaluate information from a variety of sources and perspectives and <u>draw</u> appropriate conclusions.	Advanced	The verb “research” and “draw” are not listed under any levels of proficiency.
(b) Personal	(ii) <u>Set</u> high personal standards of delivery and <u>monitor</u> personal performance, through feedback from others and through reflection.	Intermediate	The verb “set” and “monitor” are not listed under any levels of proficiency.
	(iii) <u>Evaluate</u> professional commitments and <u>manage</u> time and resources for their achievement.	Intermediate	The verb “evaluate” and “manage” are listed as

			indicative verbs for advanced level of proficiency
	(iv) Proactively <u>anticipate</u> challenges and <u>plan</u> potential solutions.	Intermediate	The verb “anticipate” and “plan” are listed as indicative verbs for advanced level of proficiency
	(v) <u>Display</u> openness to new ideas and opportunities.	Intermediate	The verb “display” is not listed under any levels of proficiency.
(c) Interpersonal and communication	(i) <u>Promote</u> cooperation and teamwork, working towards organizational goals.	Intermediate	The verb “promote” is not listed under any levels of proficiency.
	(iii) <u>Use</u> active listening and effective interviewing techniques.	Intermediate	The verb “use” is not listed under any levels of proficiency.
	(iv) <u>Use</u> negotiation skills to reach appropriate solutions and agreements.		
	(v) <u>Use</u> consultative skills to minimize and resolve conflict in a work environment		
	(vii) <u>Present</u> ideas and	Intermediate	The verb

	<u>persuade</u> others to provide support and commitment.		“present” and “persuade” are not listed under any levels of proficiency.
(d) Organizational	(i) <u>Undertake</u> work assignments in accordance with established methodologies and within the prescribed deadlines.	Intermediate	The verb “undertake” is not listed under any levels of proficiency.
	(ii) <u>Review</u> work to determine whether it complies with the organization’s quality standards.	Intermediate	The verb “review” is not listed under any levels of proficiency.
	(iii) <u>Use</u> effective people management skills to motivate and develop others.	Intermediate	The verb “use” is not listed under any levels of proficiency.
	(iv) <u>Use</u> effective delegation skills to deliver work assignments.		

We trust you will find our comments of assistance to you.

Sincerely yours,

Tatsuya Kato  
Executive Board Member - CPE



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