

Assessment of the Regulatory and Standard-Setting Framework

Section 1 -- Introduction

The information required from member bodies for the IFAC Member Body Compliance Program will be collected in two parts:

1. Assessment of the Regulatory and Standard-Setting Framework (provides information about regulatory requirements and standard-setting processes in member body countries); and
2. Assessment of Compliance (provides information on compliance by member bodies with the Statements of Membership Obligations).

The content of this assessment relates to Part 1 and includes 138 questions, of which 23 relate to information IFAC regularly collects from its member bodies and the remainder relate to IFAC's Member Body Compliance Program. The purpose of this assessment is to collect information on the roles of IFAC member bodies and other organizations (including government, regulatory or other appointed authorities) with respect to:

- a. setting auditing, accounting, ethics, public sector and education standards; and
- b. regulating the accountancy profession.

As indicated in the Compliance Working Group's recommendations to the IFAC Board, the IFAC staff will review completed assessments and validate the responses with external knowledgeable parties (for example, other member bodies, regional accountancy organizations, firms, or regulators) as necessary. Additionally, the information will be made available to the Public Interest Oversight Board.

Responses to certain questions may be common among member bodies in one country and for such questions IFAC encourages member bodies to minimize the duplication of effort.

In addition, certain questions may not apply to the role of certain member bodies and responses are therefore not required for such member bodies. Where necessary, please communicate with other member bodies in your country to minimize duplication or clarify your organization's need to respond to particular questions.

IFAC will publish the results of this assessment on its website and use the collected information to establish an understanding of the role of IFAC member bodies in standard setting and regulation of the profession.

Part 2 of the Member Body Compliance Program will also require member bodies to complete a self-assessment. The assessment tool will be distributed later in 2004. The information collected during Part 2 will be used in conjunction with the information submitted during Part 1 to evaluate how the member body complies with the Statements of Membership Obligations.

Completion of the assessments during Part 1 and Part 2 of the Compliance Program is mandatory for all member bodies.

A "Certification of Chief Executive" must accompany the completed assessment. [Click here for certification and instructions](#) for completing it.

Section 2 -- Instructions and Definitions

General Instructions

IFAC requests that all member bodies complete the questionnaire electronically. You may also [download and print a PDF](#) version of the survey. This may be used as both a guide and a worksheet (see below).

Please submit all responses in English and make them as complete and as current as possible. IFAC understands that each member body exists in a unique environment, and that serving the public interest can be accomplished through various structures and systems. Every attempt has been made to structure this document to accommodate a variety of circumstances. Where, however, the form of the question does not permit you to adequately describe the situation in your country, please submit additional descriptions and other relevant information to enhance our understanding. If your organization (or any other organization) has prepared or published documents (in English) that contain some of the requested information, please submit those documents to IFAC. Please send all supplementary materials via e-mail, courier or postal mail identifying which questions they relate to by June 1, 2004:

Daria Koukhar
Technical Manager
Member Body Development
IFAC
529 Fifth Avenue, 6th Floor
New York, NY 10017 USA

Electronic Questionnaire

The questionnaire has been programmed to provide the following features:

- To move forward to the next page or return to a previous page, use the "Previous" and "Next" buttons at the bottom of each page (do not use the Back and Forward keys).
- Each time you press "next" the information you provide will be saved to a database.
- You may skip questions and return to them later to complete; no previous information will be lost.
- You may edit questions previously answered.
- You may view your answers at any time during the survey completion process.

- You may save your answers to your computer's hard drive at any point during the survey completion process. However, you must return to the electronic version to continue answering questions.

You may exit from the questionnaire and then resume at any point; no information will be lost as a result.

Print Questionnaire

If you do not have the capability to complete this assessment via the Internet, you may print out the PDF version and use it as an outline in preparing your response. Please prepare your responses in a Word (.doc) document, numbering each question consistent with the outline. A Word version of the assessment is available by contacting Daria Koukhar at the address or email below.

Please send the file to Daria Koukhar at the address below.

Definitions

IFAC recognizes that the terminology used in this assessment (e.g., law, regulation, process, etc.) may be different in each member body's country. Each member body should respond in the context of what is applicable in their country and explain the differences.

To assist member bodies, the following terms are defined for the purposes of completing this questionnaire:

"Enacting body" means (a) level of government and responsible ministry or department, or (b) other agency or regulatory body that published the "legal authority" (defined below);

"Legal authority" means laws, regulations, orders, directives, circulars, or other documents having the force of law;

"Listed entity" means an entity whose shares, stock or debt are quoted or listed on a recognized stock exchange, or are marketed under the regulations of a recognized stock exchange or other equivalent body;

"Regional organization" means an organization of accounting institutions of countries located within a defined region of the world. In cooperation with IFAC, a regional organization encourages, advises and coordinates the efforts of their member institutions to achieve the mission and work program of the regional organization as well as that of IFAC; and

"Your organization" means your member body.

You are encouraged to contact the IFAC staff if you have any questions or require clarification of any of the requested information. Questions should be directed to:

Daria Koukhar
Technical Manager
Member Body Development
IFAC
545 Fifth Avenue, 14th Floor
New York, NY 10017 USA
Direct: +1-212-286-9684
Main: +1-212-286-9344
Fax: +1-212-286-9570
E-mail: DariaKoukhar@ifac.org

Section 3 -- Member Body General Information

1. Country:

Palestine

2. Name of member body:

Palestinian Association Of Certified Public Accountants

Or please specify name:

PACPA

3. Individual responsible for preparation:

Belal Al Fares

4. Date member body became a member of IFAC:

Note: Please enter a numeric date (e.g., 12/2001, Month/Year)

11 / 2013

Questions 5 - 22 are for internal use only

Section 3G -- Affiliations

23. Please list those [regional organizations](#) to which your organization belongs (e.g., FEE, CAPA, ECSAFA, IAA, etc.):

The Arab Federation of Accountants & Auditors (AFAA).

Section 4 -- Statutory Framework

Responses to this section will provide a description of the legal framework governing the commercial aspects of auditing and financial reporting in your country.

Section 4A -- The Companies Act or Commercial Code

The following questions concern the Companies Act (the Act) or Commercial Code (the Code) or similar [Legal authority](#) in your country. If no [Legal authority](#) exists, or the [Legal authority](#) does not address particular questions, please indicate "N/A" for Not Applicable.

24. What is the full name of:

- a). the Act or the Code: Companies' Act for the Year 1964
- b). the [Enacting body](#): Ministry of National economy
- c). date the Act or Code came into force: / 1964

25. How can IFAC obtain a copy of the Act or Code?

please go to site below: you will find some of the articles extracted from the law
<http://www.pipa.gov.ps/structurs.asp#top>

26. Is the Act or Code available in English?

☒ Yes ☐ No

27. What are the types of entities covered by the Act or the Code?

Please check all that apply.

- | | |
|---|--|
| <input checked="" type="checkbox"/> Listed entities | <input type="checkbox"/> Other (please specify): |
| <input checked="" type="checkbox"/> Private companies | <input type="checkbox"/> Other (please specify): |
| <input type="checkbox"/> Governmental | <input type="checkbox"/> Other (please specify): |
| <input type="checkbox"/> Not-for-profit | <input type="checkbox"/> Other (please specify): |

28. Is there a requirement for the following entities to prepare annual statutory financial statements? If YES, please describe the financial reporting requirements including the accounting standards to be followed.

Please check all that apply.

	No	Yes	(If YES, please describe)
Listed entities	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Annual Audits and quarterly reviews as per the Palestinian Capital Market Authority, Palestinian Stock exchange and Palestinian Monetary Authority reporting requirements. All reporting requirements are performed as per IFRS.
Private companies	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Annual Audits is required and normally performed in accordance with ISA & the reporting is normally performed as per IFRS
Governmental	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Audited by end of year using IFRS or governmental accounting policies
Not-for-profit	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Audited by end of year using IFRS and in some situations using FASB 116 & 117
Other (please describe) individual business	<input checked="" type="radio"/>	<input checked="" type="radio"/>	In recent years PACPA members are using IFRS reporting for individual business reporting and in some other instances income reporting as per income tax regulations / reporting requirements
Other (please describe)	<input checked="" type="radio"/>	<input checked="" type="radio"/>	

29. Is there a statutory requirement for the following entities to be audited? If YES, describe the requirement including the auditing standards to be followed:

Please check all that apply.

	No	Yes	(If YES, please describe)
Listed entities	<input checked="" type="radio"/>	<input checked="" type="radio"/>	ISA
Private companies	<input checked="" type="radio"/>	<input checked="" type="radio"/>	ISA
Governmental	<input checked="" type="radio"/>	<input checked="" type="radio"/>	ISA and related to local requirements
Not-for-profit	<input checked="" type="radio"/>	<input checked="" type="radio"/>	ISA
Other (please describe) individual business	<input checked="" type="radio"/>	<input checked="" type="radio"/>	ISA & Related Tax Requirements
Other (please describe) individual business	<input checked="" type="radio"/>	<input checked="" type="radio"/>	

30. Are the auditors ("statutory auditors") that are appointed for audits required by the Act or Code ("statutory audits") appointed for a specific period?

☒ Yes ☒ No

If YES, please indicate the term of appointment: 3 Year(s)

31. Who appoints the statutory auditors?

Please check all that apply.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Shareholders | <input type="checkbox"/> Management |
| <input type="checkbox"/> Board of directors | <input type="checkbox"/> Other (<i>please specify</i>): |
| <input type="checkbox"/> Audit committee | <input type="checkbox"/> Other (<i>please specify</i>): |
| <input checked="" type="checkbox"/> Government agency | <input type="checkbox"/> Other (<i>please specify</i>): Normally Municipalities do appoint external auditors for one year in close coordination with the Ministry of Local Governments |

32. Does the Act or Code require joint auditors for the statutory audit?

☒ Yes ☐ No

If yes, please describe the requirement:

Normally single Audit firm get appointed. However, its not uncommon to appoint joint auditors for specific high risk audit assignment.

33. Does the Act or Code require the rotation of the auditors or audit firms performing statutory audits?

☒ Yes ☐ No

If yes, please describe the requirement:

The rotation of the Auditors starting from 2012, the rotation of the Auditors of the banks is required each five years, no other rotation required for other companies. It is worth noting that a wide range of industries are considering rotating auditors at least once every three years. Furthermore, local CPA firms with international affiliations do require rotating partners every five years as per the international firm standards.

Section 4B -- Securities Market Regulations

Responses to this section will provide a description of the financial reporting and auditing requirements for [listed entities](#) in your country.

34. What are (a) the major items of [Legal authority](#) for such requirements, (b) the [Enacting body](#)(ies) and (c) the latest amendment date? Please identify the specific articles or sections that pertain to auditing and financial reporting:

- a. the major items of [Legal authority](#) for such requirements

The financial notes law of 2004 and related amendments.

- b. the Enacting body(ies)

Palestinian Capital Market Authority (PCMA)

Palestinian Stock Exchange Authority.

State Audit and Administrative Audit Bureau,

Palestinian Monetary Authority (PMA).

US governments standards, European commission standards (mainly for donated funds to Palestinian Authority)

- c. the latest amendment date?

2010 and ongoing changes.

35. How can IFAC obtain a copy of the Legal authority?

from the Website shown below:

<http://www.pipa.gov.ps/pse.asp>

EC website, USAID website etc.

36. Is the Legal authority available in English?

☒ Yes ☐ No

37. Are there any additional or alternative financial statement reporting requirements for listed entities that are not described in your answer to Question 28?

☒ Yes ☐ No

If YES, please describe the requirement:

Local banks listed and non listed are required to report periodically to Palestinian Monetary Authorities.

38. Are there any additional auditing requirements that apply to listed entities other than those described in your answer to Question 29 (e.g., additional GAAS requirements, additional independence requirements, requirements to report to those charged with governance, etc.)?

☒ Yes ☐ No

If YES, please describe the requirement:

All companies obtained tax holiday from the Palestinian Investment Authority are required to submit annual audited financial statements.

39. Who appoints the statutory auditors of [listed entities](#)?

Please check all that apply.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Shareholders | <input type="checkbox"/> Management |
| <input type="checkbox"/> Board of directors | <input type="checkbox"/> Other (<i>please specify</i>): |
| <input type="checkbox"/> Audit committee | <input type="checkbox"/> Other (<i>please specify</i>): |
| <input type="checkbox"/> Government agency | <input type="checkbox"/> Other (<i>please specify</i>): |

40. Are auditors who perform audits of [listed entities](#) appointed for a specified period?

☒ Yes ☒ No

If YES, please indicate the term of appointment: 3 Year(s)

41. Are joint auditors required for audits of [listed entities](#)?

☒ Yes ☒ No

If YES, please describe the requirement:

However, it is not uncommon to appoint joint auditors for high risk assignments/audit.

42. Is rotation of the auditor or audit firm for audits of [listed entities](#) required?

☒ Yes ☒ No

If YES, please describe the requirement:

In case of banks only, however the rotation to other listed companies is recommended by the companies' corporate governance conduct.

Section 5 -- Auditing Standards

Responses to this section will provide a description of the legal and professional framework governing audit and other assurance standards in your country. The section focuses on the establishment of such standards. Please indicate the role your organization plays within this framework.

Section 5A -- Statutory Framework

43. Please provide the name of the [Legal authority](#) and/or self-regulatory rules that establish audit and other assurance standards in your country, the date of the last amendment of such

authority or rules and the name of body responsible for setting audit and other assurance standards. If the standards are different for different entities (e.g., [listed entities](#), private companies, governmental bodies, not-for-profit organizations, etc.), please specify the details that apply to each:

Type of entity	Name of applicable legal authority	Date of last amendment (e.g. MM/YYYY 06/2001)	Name of body responsible for setting audit and other assurance standards
Listed entity	State Audit and Admin. Control Bureau	October 2010	Palestinian Association of Certified Public Accountants
Other (please describe)			
Other (please describe)			
Other (please describe)	ISA issued by IAASB are adopted		

a. How can IFAC obtain copies of these documents?

www.facb.gov.ps

b. Are the documents available in English?

☒ Yes ☐ No

Section 5B -- Standard-Setting (Palestinian Association of Certified Public Accountants)

44. For **Palestinian Association of Certified Public Accountants**, please indicate the nature of the body (i.e., whether it is part of a government ministry or department, an agency appointed by government, a private organization established by the profession, or other [please describe]) and the name of the standards.

a. Nature of body

Separate body, considered non-governmental body.

b. Name of standards

International auditing standards applicable in Palestine.

45. How many voting members does the standard-setting body have?

9 members

46. Are the members of the standard-setting body involved on a voluntary basis or employed by the standard-setting body?

- Voluntary
- Employed
- Both - Please describe: Not Applicable

47. What are the criteria considered in selecting members of the standard-setting body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

Normally, members get nominated and selected from PACPA general assembly.

48. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

Normally the members are voted in by the general Assembly members of PACPA.

49. What is the term of appointment for members?

3 Year(s)

50. For how many years has the standard-setting body been in existence?

12 Year(s)

51. Please indicate the budget in US\$ of the standard-setting body for the last fiscal year:

Note: Please enter a whole number using commas (e.g., 4,000,000)

00

Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

0.01

52. To what entity is the standard-setting body accountable?

To PACPA Board.

53. Describe the due process followed by the standard-setting body. Please include explanations of the following:

- a. public exposure of standards

The due process that is being followed is identical to IFAC due process.

- b. accessibility of meetings (i.e., public or private)

Meeting are open to public and private sector.

- c. approval process for final standards (i.e., majority required to approve final standards)

Since the standard that are being set is derived from International standards, the committee requires majority voting.

- d. other relevant due process activities

None.

54. Approximately how many days per year does the standard-setting body meet in full session (including teleconferences)?

12 Day(s)

Section 6 -- Ethics

Responses to questions in this section will provide a description of the legal and professional framework governing ethics standards for accountants in your country. This section focuses on the establishment of such standards. Please indicate the role your organization plays within this framework.

Section 6A -- Statutory Framework

55. For each of the following types of professionals, please indicate the name of the [Legal authority](#) and/or self-regulatory rules establishing ethics standards for accountants and auditors in your country, the date of the last amendment of such authority or rules and the name of body responsible for setting the ethics standards.

Type of professional covered	Name of applicable legal authority	Date of last amendment (e.g. MM/YYYY 06/2001)	Name of body responsible for setting ethics standards
Professional Accountants in Public Practice	PACPA	2011	Code of Conduct Committee
Professional Accountants in Business	NA		
Professional Accountants in the Public Sector	PACPA	2011	None
Other (please describe) code of ethics issued by IFAC are adopted for professional Accountants in public Practice	N/A		

a. How can IFAC obtain copies of these documents?

Refer to below link to obtain further details.
<http://www.pacpa.ps/etemplate.php?id=10>

b. Are the documents available in English?

☒ Yes ☐ No

Section 6B -- Standard-Setting (Code of Conduct Committee)

56. For **Code of Conduct Committee**, please indicate the nature of the body (i.e., whether it is part of a government ministry or department, an agency appointed by government, a private organization established by the profession, or other [please describe]) and the name of the standards.

a. Nature of body

PACPA formed the above-mentioned committee which is totally independent of the government. The tasks of the committee can be found in the below link
<http://www.pacpa.ps/etemplate.php?id=10>

b. Name of standards

Code of Ethics

57. How many voting members does the standard-setting body have?
9 members

58. Are the members of the standard-setting body involved on a voluntary basis or employed by the standard-setting body?

- Voluntary
- Employed
- Both - Please describe:

59. What are the criteria considered in selecting members of the standard-setting body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

Combination of a number of factors, such as education, professional experience in wide range of industries, etc.

60. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

General Assembly Members

61. What is the term of appointment for members?

3 Year(s)

62. For how many years has the standard-setting body been in existence?

6 Year(s)

63. Please indicate the budget in US\$ of the standard-setting body for the last fiscal year:

Note: Please enter a whole number using commas (e.g., 4,000,000)

00

Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

0.01

64. To what entity is the standard-setting body accountable?

To PACPA Board and General Assembly Members

65. Describe the due process followed by the standard-setting body. Please include explanations of the following:

- a. public exposure of standards

Normally, the Committee review and adopt new ISA and IFRS new standards and communicate them to PACPA members for implementation as and when they are applicable in the country.

- b. accessibility of meetings (i.e., public or private)

Restricted to committee and board members.

- c. approval process for final standards (i.e., majority required to approve final standards)

Normally the committee votes and approves the new standards.

- d. other relevant due process activities

Open discussion with General Assembly Members and obtaining feedback via e-mails from such members and also obtaining general feedback from Universities professors in related fields.

66. Approximately how many days per year does the standard-setting body meet in full session (including teleconferences)?

5 Day(s)

Section 6B -- Standard-Setting (None)

56. For **None**, please indicate the nature of the body (i.e., whether it is part of a government ministry or department, an agency appointed by government, a private organization established by the profession, or other [please describe]) and the name of the standards.

- a. Nature of body
- b. Name of standards

57. How many voting members does the standard-setting body have?

58. Are the members of the standard-setting body involved on a voluntary basis or employed by the standard-setting body?

- ☒ Voluntary
- ☒ Employed

● Both - Please describe:

59. What are the criteria considered in selecting members of the standard-setting body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

60. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

61. What is the term of appointment for members?

Year(s)

62. For how many years has the standard-setting body been in existence?

Year(s)

63. Please indicate the budget in US\$ of the standard-setting body for the last fiscal year:

Note: Please enter a whole number using commas (e.g., 4,000,000)

Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

64. To what entity is the standard-setting body accountable?

65. Describe the due process followed by the standard-setting body. Please include explanations of the following:

- a. public exposure of standards
- b. accessibility of meetings (i.e., public or private)
- c. approval process for final standards (i.e., majority required to approve final standards)
- d. other relevant due process activities

66. Approximately how many days per year does the standard-setting body meet in full session (including teleconferences)?

Day(s)

Section 7 -- Education

Responses to questions in this section will provide a description of how education requirements for the profession are established. Please indicate the role your organization plays within this process.

Section 7A -- Education Requirements

67. Please describe in general terms the education system in your country including the different stages of education from early childhood education through to tertiary level study. Please indicate which aspects / levels are compulsory as part of the national education system:

The Palestinian territories education system, compulsory basic education includes Grades 1 to 10 and this is divided into the preparatory stage (Grades 1 to 4) and the empowerment stage (Grades 5 to 10). Secondary education (general secondary education and a few vocational secondary schools) covers Grades 11 and 12. We have 11 universities (10 private and one public) and 11 technical colleges. Normally, the majority of the universities follows the American system and related standards. The university education consists of four years college education to obtain a bachelor's degree and additional two years for a master's degree. Some colleges provide two years of education for a diploma.

68. Is there a legal authority or regulation that specifies the requirements for an individual to operate as an accountant or auditor in your country?

☒ Yes ☐ No

If YES, please provide the name and describe the requirements, including any relating to education, experience or qualifications.

Board of Professional Auditing - Palestine.

The requirements are as follows:

- 1. The license applicant shall be Palestinian.**
- 2. The license applicant shall be eligible.**
- 3. The license applicant has not been sentenced of a crime related to honor or honesty unless he obtained his consideration.**
- 4. With respect to the regulations of Clause (5) of this Article, the license applicant should have one of the following qualifications:**

- a) The first university degree is Bachelor or its equivalent in accounting specialization with at least five years of practical experience in accounting and auditing work including two years at least working as senior auditor after obtaining that degree.
 - b) The first university degree is Bachelor or its equivalent from one of the faculties of commerce or economics with at least five years of practical experience in accounting and auditing work including three years at least working as a senior auditor after obtaining the academic qualification.
 - c) The second university degree is Master or its equivalent in accounting specialization with at least three years of practical experience in accounting and auditing work including one year at least working as senior auditor after obtaining that degree.
 - d) The doctoral degree in accounting specialization with at least one year of practical experience in auditing work after obtaining that degree or has taught auditing at one of the Palestinian colleges or universities for at least two years after obtaining the doctoral degree.
 - e) A member of any certified auditor associations or establishments and having a certificate to practice the auditing profession approved by the Board provided that he has worked in auditing field for at least one year in Palestine.
 - f) Anyone who has worked as an auditor at the Public Control Corporation or any official department or any public department of the state for ten year and having the first university degree (Bachelor degree or its equivalent) notwithstanding the regulations of item (d) clause (4) of this article.
5. Any person having the certificates mentioned in items (a,b, or f) of clause (4) of this Article should pass an examination administered by the Board in accounting and auditing and the legislation related to accounting, auditing and taxation affairs in effect in Palestine.

69. Please select from below all the relevant key levels of requirements to obtain certification from your member body (i.e. to qualify as a certified or chartered accountant) and provide a general description of the requirement.

- ☒ Academic requirements
BA degree and above, as further detailed above.
- ☒ Professional examinations
Required,
holders of American CPA , ACCA or PHD in accounting or relevant field are exempted from the exam
- ☒ Practical experience
5 years and above.
- ☒ Final qualifying examination
The exam includes ethical section questions, etc.
- ☐ Other (*please describe*)

70. Which of the following arrangements best describes who establishes the education requirements for the accounting profession in your country? Please select one option.

- ☐ A government ministry, department or agency establishes education requirements for the accounting profession with no additional requirements set by the member body(ies).
- ☐ A government ministry, department or agency establishes minimum education requirements for the accounting profession, and member body(ies) supplement these requirements.
- ☐ Member body(ies) establishes the education requirements for the accounting profession.
- ☐ Other (*please describe*)

71. Please provide the name(s) of the relevant body in the government ministry, department, agency and / or member body who establishes the education requirements.

Palestinian Legislative Council (PLC).

- a. A general description of the role of the relevant body(ies) including how it operates and its due process in establishing the education requirements.

Normally the PLC members are voted in by the Public. However, the PLC is not active for the past 5 years or so.

- b. How many voting members does the relevant body(ies) have

120 members.

- c. Are the members of the relevant body(ies) involved on a voluntary basis or employed by the standard-setting body?

- ☐ Voluntary
- ☐ Employed
- ☐ Both - Please describe:

- d. For how many years has the body been in existence?

4 Year(s)

72. How would you describe the authority that the education requirements have?

- ☐ Requirements are legally-based
- ☐ Requirements are set in the constitution, by-laws or other rules of the relevant body(ies).
- ☐ Requirements are set in member body(ies) policy document(s).
- ☐ Other (*please describe*)

72 a. How can IFAC obtain copies of these documents?

From PACPA website.

72 b. Are these documents available in English?

- ☐ Yes
- ☐ No

73. Are the education requirements for accountants and auditors the same throughout your country, or do they differ among regions, provinces or states?

- ☐ Same
- ☐ Different

If different, please briefly describe the main differences:

They are the same.

74. Please indicate the scenario that best describes who delivers the education and examination process for members of the profession. *Please only select one option.*

- ☐ The education program and final examination are delivered by the member body.
- ☐ The education program and final examination are delivered by the member body and other education institutions (e.g., universities, colleges, and others).
- ☐ The education program and final examination are delivered by education institutions (e.g., universities, colleges, and others).
- ☐ Other (*please explain*) **Examination process for members of the profession**

75. Once qualified as a member of your professional body, can members offer their services directly to the public?

- ☐ Yes
- ☐ No

Section 7B -- Licensing

76. Are there licensing requirements for auditors in your country?

- ☒ Yes (continue with Question 77) ☒ No (proceed to Section 8)

77. Who sets the requirements to obtain a license?

The requirements are stated in the law and elaborated in the instructions issued by Prime minister. The board of professional auditing has the authority to implement the requirements relevant to this area.

78. What are the requirements to obtain a license (please select all relevant requirements.)?

- ☒ Academic study specific for obtaining a license
- ☒ Practical experience
- ☒ Licensing examination
- ☐ Final qualifying examination
- ☐ Other (*please describe*)

79. Are there ongoing requirements to retain a license?

- ☒ Yes ☒ No

If YES, please select all relevant requirements.

- ☒ Continuing professional development
- ☐ Re-examination
- ☐ Other (*please specify*):

80. What entity grants the license?

The Board of Professional Auditing in Palestine.

81. Describe any additional licensing requirements for auditors of [listed entities](#) (e.g., additional education requirements, registration, etc.).

No Additional Requirements are needed at this time.

Section 8 -- Public Sector Accounting Standards

Responses to this section will provide a description of the legal and professional framework governing public sector accounting standards in your country. The section focuses on the establishment of such standards. Please indicate, where appropriate, the role of your organization within this framework.

Section 8A -- Statutory Framework

82. Please provide the name of the [Legal authority](#) and/or self-regulatory rules establishing public sector accounting standards in your country, the date of last amendment and the name of the body responsible for setting public sector accounting standards. If the standards are different for different entities (e.g., whole of government, ministry/department, statutory authority/agency, profit entity owned by government, state governments, local governments, other [please specify]), please specify the details that apply to each.

Type of entity	Name of legal authority	Date of last amendment (e.g. MM/YYYY 06/2001)	Name of body responsible for setting public sector accounting standards
Whole of government	State of Audit Bureau	2004	State of Audit Bureau
Ministry/department	President office	June 2012	PACPA
Statutory authority/agency			
Profit entity owned by government			
State governments			
Local governments			
Other (please describe)			
Other (please describe)			

a. How can IFAC obtain copies of these documents?

Note: There are no real accounting standard setting in the country per se. However and for instance, the Palestinian Capital Market Authority and the Palestinian Monetary Authority require all banks and public listed entity to follow IFRS, which is adapted by PACPA. Further, all international standards relevant to the audit profession are adapted by PACPA as well.

b. Are the documents available in English?

☒ Yes ☐ No

Section 8B -- Standard-Setting (State of Audit Bureau)

83. For **State of Audit Bureau**, please indicate the nature of the body (i.e., whether it is part of a government ministry or department, an agency appointed by government, a private organization established by the profession, or other [please describe]) and the name of the standards.

a. Nature of body

State of Audit Bureau reports to Palestine legislative council

b. Name of standards

Palestinian Government Auditing Standards.

84. How many voting members does the standard-setting body have?

5 based on our discussion with the Director

85. Are the members of the standard-setting body involved on a voluntary basis or employed by the standard-setting body?

- ☒ Voluntary
- ☒ Employed
- ☒ Both - Please describe: Not Applicable

86. What are the criteria considered in selecting members of the standard-setting body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

Experience, education and related profession.

87. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

The Chairman of State of Audit Bureau gets appointed by the Palestine legislative council after the nominating of the president of PNA.

88. What is the term of appointment for members?

4 Year(s)

89. For how many years has the standard-setting body been in existence?

14 Year(s)

90. Please indicate the budget in US\$ of the standard-setting body for the last fiscal year:

Note: Please enter a whole number using commas (e.g., 4,000,000)

800,000

Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

1.0001

91. To what entity is the standard-setting body accountable?

Palestinian National Authority.

92. Describe the due process followed by the standard-setting body. Please include explanations of the following:

- a. public exposure of standards

Normally, the standards are discussed with relevant bodies i.e. PACPA and Universities professors.

- b. accessibility of meetings (i.e., public or private)

Public and private attendance is possible upon request.

- c. approval process for final standards (i.e., majority required to approve final standards)

Majority voting.

- d. other relevant due process activities

Based on the situation and when needed.

93. Approximately how many days per year does the standard-setting body meet in full session (including teleconferences)?

24 Day(s)

Section 8B -- Standard-Setting (PACPA)

83. For **PACPA**, please indicate the nature of the body (i.e., whether it is part of a government ministry or department, an agency appointed by government, a private organization established by the profession, or other [please describe]) and the name of the standards.

a. Nature of body

The body is PACPA Board Members (non-government entity).

b. Name of standards

International Standards on Auditing (as mentioned in previous section).

84. How many voting members does the standard-setting body have?

7 as stated above.

85. Are the members of the standard-setting body involved on a voluntary basis or employed by the standard-setting body?

- ☒ Voluntary
- ☒ Employed
- ☒ Both - Please describe:

86. What are the criteria considered in selecting members of the standard-setting body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

Experience and educational background.

87. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

PACPA Board.

88. What is the term of appointment for members?

3 Year(s)

89. For how many years has the standard-setting body been in existence?

3 Year(s)

90. Please indicate the budget in US\$ of the standard-setting body for the last fiscal year:

Note: Please enter a whole number using commas (e.g., 4,000,000)

00

Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

00

91. To what entity is the standard-setting body accountable?

PACPA Board members.

92. Describe the due process followed by the standard-setting body. Please include explanations of the following:

- a. public exposure of standards

Due process is identical to IFAC due process.

- b. accessibility of meetings (i.e., public or private)

Upon request.

- c. approval process for final standards (i.e., majority required to approve final standards)

Majority voting.

- d. other relevant due process activities

As and when needed.

93. Approximately how many days per year does the standard-setting body meet in full session (including teleconferences)?

12 Day(s)

Section 9 -- Private Sector Accounting Standards

Responses to the questions in this section will provide a description of the legal, statutory and professional framework governing private-sector accounting standards in your country. The section focuses on the establishment of such standards. Please indicate what role your organization plays within this framework.

Section 9A -- Statutory Framework

94. Please provide the name of the [Legal authority](#) and/or self-regulatory rules that establish private-sector accounting standards in your country, the date of last amendment, and the name of the body responsible for setting private sector accounting standards. If the standards are different for different entities (for example, [listed entities](#), private companies, governmental organization, not for profit organizations, etc.), please specify the requirements that apply to each.

Type of entity	Name of legal authority or applicable rules	Date of last amendment (e.g. MM/YYYY 06/2001)	Name of body responsible for setting private sector accounting standards
Listed entity	Palestinian Capital Market Authority	6/2011	Board of Capital Market Authority
Other (please describe) Financial institutions	Palestinian Monetary Authority	4/2011	Palestinian Monetary Authority Board
Other (please describe)			
Other (please describe)			
Other (please describe) no national standards IFRS & IAS are adopted			

a. How can IFAC obtain copies of these documents?

Normally, IFRS and ISA are adapted by The Capital Market Authority, Palestinian Monetary Authority and PACPA, etc.

b. Are the documents available in English?

☒ Yes ☐ No

Section 9B -- Standard-Setting (Board of Capital Market Authority)

95. For **Board of Capital Market Authority**, please indicate the nature of the body (i.e., whether it is part of a government ministry or department, an agency appointed by government, a private organization established by the profession, or other [please describe]) and the name of the standards.

a. Nature of body

PACPA that review and recommend the adoption of wide range of International Standards relevant to the audit profession.

b. Name of standards

IFRS and ISA.

96. How many voting members does the standard-setting body have?

7 members.

97. Are the members of the standard-setting body involved on a voluntary basis or employed by the standard-setting body?

- ☒ Voluntary
- ☒ Employed
- ☒ Both - Please describe: Not Applicable

98. What are the criteria considered in selecting members of the standard-setting body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

Experience and Educational background.

99. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

PACPA Board.

100. What is the term of appointment for members?

3 Year(s)

101. For how many years has the standard-setting body been in existence?

12 Year(s)

102. Please indicate the budget in US\$ of the standard-setting body for the last fiscal year:

Note: Please enter a whole number using commas (e.g., 4,000,000)

00

Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

1.0011

103. To what entity is the standard-setting body accountable?

PACPA Board.

104. Describe the due process followed by the standard-setting body. Please include explanations of the following:

- a. public exposure of standards

Identical to IFAC due process.

- b. accessibility of meetings (i.e., public or private)

Upon request

- c. approval process for final standards (i.e., majority required to approve final standards)

Majority voting.

- d. other relevant due process activities

As and when needed (case by case)

105. Approximately how many days per year does the standard-setting body meet in full session (including teleconferences)?

11 Day(s)

Section 9B -- Standard-Setting (Palestinian Monetary Authority Board)

95. For **Palestinian Monetary Authority Board**, please indicate the nature of the body (i.e., whether it is part of a government ministry or department, an agency appointed by government, a private organization established by the profession, or other [please describe]) and the name of the standards.

a. Nature of body

The body normally adapt/amend the financial institutions financial reporting and related guidelines.

b. Name of standards

Financial reporting standards for financial institutions.

96. How many voting members does the standard-setting body have?

7 members

97. Are the members of the standard-setting body involved on a voluntary basis or employed by the standard-setting body?

- ☒ Voluntary
- ☒ Employed
- ☒ Both - Please describe:

98. What are the criteria considered in selecting members of the standard-setting body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

Education, experience and related profession

99. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

Palestinian Monetary Authority Governor.

100. What is the term of appointment for members?

3 Year(s)

101. For how many years has the standard-setting body been in existence?

12 Year(s)

102. Please indicate the budget in US\$ of the standard-setting body for the last fiscal year:

Note: Please enter a whole number using commas (e.g., 4,000,000)

400,000

Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

1.0001

103. To what entity is the standard-setting body accountable?

Palestinian Monetary Authority Board.

104. Describe the due process followed by the standard-setting body. Please include explanations of the following:

- a. public exposure of standards

Same as mentioned above in previous sections.

- b. accessibility of meetings (i.e., public or private)

Upon request.

- c. approval process for final standards (i.e., majority required to approve final standards)

Majority

- d. other relevant due process activities

None

105. Approximately how many days per year does the standard-setting body meet in full session (including teleconferences)?

7 Day(s)

Section 10 -- Monitoring (Quality Assurance) and Enforcement

Responses to the questions in this section will provide a description of the legal and professional framework governing regulation of the profession in your country. Please indicate what role your organization plays within this framework.

Section 10A -- Securities Market Regulatory Authority

106. Name the authority that regulates the securities market:

Palestine Capital Market Authority (PCMA).

107. What responsibilities does this organization have for monitoring and enforcing compliance with accounting, reporting or auditing requirements? Please identify the [Legal authority](#) that establishes that responsibility:

The Palestinian Capital Market Authority operates under the supervision of the Palestinian Capital Market Authority and in accordance with the Securities Law No. (12) 2004 and its bylaws, in addition to modern regulations, which form a strong basis that ensure a fair representation and disclosure according to IFRS environment.

PCMA strives to provide a market for trading securities and financial instruments that is characterized by equity, transparency and competence, serving and maintaining the interest of investors.

108. Briefly describe the role of the regulatory authority as it relates to the following:

- a. regulation of the audit profession

Supervision and recommendations.

- b. accounting and auditing standard-setting

Normally they adapt international standards in all relevant fields and industries.

- c. review of financial statements prepared by [listed entities](#), and monitoring of their compliance with the accounting and disclosure requirements

Prior to issuance of audited FS of publicly listed company, PCMA review and approves the audited financial statements.

Section 10B -- Stock Exchange

109. Name the four largest stock exchangers (by market capitalization) and whether it is organized as a profit or not-for-profit organization:

Profit	Not for profit	Stock Exchange
<input checked="" type="radio"/>	<input checked="" type="radio"/>	Palestine Stock Exchange Company
<input checked="" type="radio"/>	<input checked="" type="radio"/>	
<input checked="" type="radio"/>	<input checked="" type="radio"/>	
<input checked="" type="radio"/>	<input checked="" type="radio"/>	

Section 10B -- Stock Exchange Palestine Stock Exchange Company Details

110. For **Palestine Stock Exchange Company**, is there a mechanism at the stock exchange(s) for monitoring and enforcing financial reporting, accounting and auditing of [listed entities](#)?

☒ Yes ☒ No

If YES, please describe the following:

- a. How the monitoring and enforcement of financial reporting, accounting and auditing is conducted.

By the PCMA and as stated above.

- b. The consequences of non-compliance with the financial reporting, accounting or auditing requirements.

Penalties and suspending the shares from trading

- c. How enforcement actions are administered.

By PCMA in close coordination with the Palestinian Stock exchange and the Palestinian Monetary Authority.

Section 10C -- Regulatory Oversight of the Accounting Profession

111. Has an audit profession oversight body been established (e.g., to oversee the external quality assurance review process, etc.)?

☒ Yes ☐ No

If NO, proceed to the next section.

If YES, please describe :

- a. What are the name and duties of the oversight body?
- b. The number of members on the oversight body
- c. Its powers
- d. How the oversight body conducts or oversees a program of inspections to assess the degree of compliance of each audit firm/auditor with applicable auditing standards and regulations
- e. The sanctions the oversight body may impose in the event of non-compliance
- f. How the oversight body is accountable to any public institution or body

Section 10D -- Banks Regulatory Authority

112. Name the authority that regulates the banks and similar financial institutions. Discuss how this authority differentiates between accounting requirements for regulatory reporting and general purpose external financial reporting:

The Palestine Monetary Authority (PMA) is the emerging Central Bank of Palestine. Its overall purpose is to assist in maintaining stability and effectiveness of the Palestinian financial system, promote sustained economic and financial growth of the Palestinian economy.

113. Discuss briefly the legal requirements with respect to monitoring and enforcement by the regulatory authority of accounting and auditing standards that apply to the banks and similar financial institutions:

The banks are supervised and controlled by PMA and the banks are required to report to PMA on a monthly basis to allow reviewing bank operations. The PMA also regulates and organizes the banks auditing procedures with which the Auditor has to comply. The approval of the appointment of the Auditor of the bank has to be made by PMA, and the list of the banks auditor is reviewed by PMA Annually.

114. Briefly describe the role of the regulatory authority as it relates to the following:

- a. regulation of the audit profession

The head of the bank controller & supervision department is a member of the Board of Auditing profession

- b. accounting and auditing standard-setting

Not Applicable

- c. review of financial statements prepared by [listed entities](#)

For the banks only

- d. enforcement of accounting, reporting and auditing requirements

For banks penalties for non-compliance

Section 10E -- Non-Banking Financial Institutions Regulatory Authority

115. Name the regulatory authority(ies) responsible for monitoring compliance with and enforcing accounting, reporting and auditing requirements imposed on non-banking institutions.

Capital Market Authority

116. What is the source of [Legal authority](#) of the regulatory authority(ies)?

Capital Market Authority.

117. Briefly describe the role of the regulatory authority(ies) as it relates to the following:

- a. regulation of the audit profession

Ensures that the Audited FS are performed in accordance with ISA by licensed CPA Firm.

- b. accounting and auditing standard-setting

Ensures that such standards are being adhered to and adapted by financial institutions.

- c. review of financial statements prepared by [listed entities](#)

This is done by PCMA prior to issuance.

- d. enforcement of accounting, reporting and auditing requirements

Fully enforced, otherwise the FS will not be accepted by the PCMA for publications, etc.

Section 10F -- Insurance Companies Regulatory Authority

118. Name the regulatory authority responsible for monitoring compliance with and enforcing accounting, reporting and auditing requirements imposed on insurance companies.

Palestinian Capital Market Authority (PCMA), Department of insurance company supervision

119. What is the source of [Legal authority](#) of the regulatory authority(ies)?

Insurance law & PCMA law

120. Briefly describe the role of the regulatory authority(ies) as it relates to the following

- a. regulation of the audit profession

Same as mentioned in previous sections.

- b. accounting and auditing standard-setting

Same as mentioned in previous sections.

- c. review of financial statements prepared by listed [listed entities](#)

Same as mentioned in previous sections.

- d. enforcement of accounting, reporting and auditing requirements

Same as mentioned in previous sections.

Section 10G -- Other Regulatory Authority

121. Name any other regulatory authority(ies) responsible for monitoring compliance with and enforcing accounting, reporting and auditing requirements.

As indicated above, PMA, PACPA and Government bodies

122. What is the source of [Legal authority](#) of each regulatory authority?

Palestinian Legislative Council

123. Briefly describe the role of the regulatory authority(ies) as it relates to the following

- a. regulation of the audit profession

They closely work together.

- b. accounting and auditing standard-setting

They closely work together.

- c. review of financial statements prepared by listed [listed entities](#)

They closely work together.

- d. enforcement of accounting, reporting and auditing requirements

They closely work together.

Section 10H -- Quality Assurance

124. Does any organization of professional accountants/auditors organize a program of quality assurance review to monitor compliance with accounting, reporting and auditing requirements?

☒ Yes ☐ No

If NO, proceed to next Section.

If YES, briefly describe the monitoring and enforcement mechanism.

Currently, all firms with international affiliations are required to have quality review of their audit files at least once every three years. Further, PACPA began performing quality review on a number of offices and is in the process of implementing 5 years quality review plan that will meet the minimum quality

requirements. Additionally, during year 2011, the World Bank Granted BPA US Dollar 200,000 for such purpose.

125. Under what authority does the organization conduct the program of quality assurance review?

Auditing Practice law law No. (9) of the Year 2004, and PACPA bylaws and related amendments.

126. Who performs the review (e.g., one firm reviewing another firm, staff from the national professional organization, contractors, or a combination of these)?

A Committee in PACPA

Section 10 I -- Investigation and Discipline

127. Is there a process for investigating and disciplining the accounting profession in your country?

☒ Yes ☐ No

If NO, proceed to the [Certification of Chief Executive](#)

128. Which of the following best describes the responsibility for the investigatory and disciplinary function in your country?

- ☒ Government or other agencies are solely responsible for this function.
- ☐ Government or other agencies have this responsibility, but the member body or bodies participate in the process.
- ☐ Government formally delegates this function to the member body or bodies, to exercise on its behalf.
- ☐ Member body or bodies have separate and independent processes that operate alongside processes of legal authorities.
- ☐ Other (*please explain*)

129. Please indicate the name of the body or bodies responsible for investigation and discipline.
Code of Conduct Committee. It reports to PACPA Board Members.

Responses to the remaining questions in this Section are required if your organization has responsibility for investigation and disciplinary actions.

130. How many voting members does the body have?

5

131. Are the members of the body involved on a voluntary basis or employed by the standard-setting body?

- ☒ Voluntary
- ☒ Employed
- ☒ Both - Please describe:

132. What are the criteria considered in selecting members of the body (e.g., best person for the job, sector of the profession, private and public members, academic, geographical representation, etc.)?

Experience, Integrity and wide range of qualifications, etc.

133. Who appoints these members (e.g., member body, government, user, regulator, etc.)?

PACPA Board of Directors

134. What is the term of appointment for members?

3 Year(s)

135. For how many years has the body been in existence?

17 Year(s)

136. Please indicate the budget in US\$ of the body for the last fiscal year.

Note: Please enter a whole number using commas (e.g., 4,000,000)

00

Please enter the exchange rate used to calculate this number.

Note: Please enter a decimal amount (e.g., 4.0027)

000.1 (specify currency)

137. To what entity is the body accountable?

PACPA Board of Directors

138. Approximately how many days per year does the body meet in full session (including teleconferences)?

12 Day(s)