

BACKGROUND NOTE ON ACTION PLANS

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption¹ and implementation² 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.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices.

Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

Use of Information

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

ACTION PLAN

IFAC Member/Associate:	Colegio de Contadores Públicos Autorizados de Panamá (CCPAP)
Approved by Governing Body:	Board of the CCPAP (BCCPAP)
Original Publish Date:	July 2010
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¹ *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 effect 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.

² *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.

GLOSSARY

ACONTAP	Asociacion de Contadores Publicos Autorizados de Panama
ALCAPA	Alianza de Calidad de Panama
AMUCOPA	Asociacion de Mujeres Contadoras Publicas Autorizadas de Panama
APA	Authorized Public Association
BCCPAP	Board of the Colegio de Contadores Publicos Autorizados de Panama (CCPAP)
CCPAP	Colegio de Contadores Publicos Autorizados de Panama
CCPAP-EC	CCPAP's Education Commission
CCPAP-(ISC)	CCPAP's International Standards Commission
CCPAP-PP	CCPAP's Professional Practice Commission
JTC	Technical Accounting Board (<i>Junta Tecnica de Contabilidad</i>)
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IASB	International Accounting Standards Board
IES	International Education Standards
IESBA	International Ethics Standards Board for Accountants
IFRSs	International Financial Reporting Standards
UNESCPA	Universidad Especializada del Contador Publico Autorizado
UP	Universisidad de Panama
FAECO	Facultad de Administracion de Empresas y Contabilidad
MEDUCA	Ministerio de Educacion
TAT	Tribunal Administrativo Tributario

Action Plan Subject: General Description of Organization, Environment and Goals of the Action Plan
Action Plan Objective: Describe Regulatory and Standard-Setting Framework, Governance, Challenges and Success Factors

General Background

CCPAP is a not for profit organization that regulates and promotes the accounting profession in the Republic of Panama. The primary objectives of CCPAP, you can see them listed in the CCPAP website (www.colegiocpapanama.org). In terms of licensing, CCPAP is not responsible for licensing. The current situation in Panama grants membership to the CCPAP and its certification to any Panamanian citizen who hold a CPA license provided by the JTC. In addition, membership is open to accountants not engaged in public practice. CCPAP currently has over 1,000 members; we are still in the process to determine how many of them Licensed Practitioners are. To qualify for membership of CCPAP, members need to obtain their CPA license, for which they need: 1). Completion of national college requirements and attainment of a degree in accountancy, 2). A sworn declaration interposed by a lawyer, certifying that there is no pending case at court over the candidate, and that the candidate has not been condemned by crime, against the public faith or the property, within the five years prior to the request of the license.

Regulatory and Standard Setting Framework

The primary legislation is the Public Accountants Law (Law No.57). It provides for the licensing of public accountants and the registration of other accountants. CCPAP does not prescribe accounting standards for its members or the Republic of Panama. There is a law since 2007 in Panama which mandates IFRS must be the accounting standard for the Country, used for preparation of financial statements. ISA is also mandatory by this same law for the audits performed in Panama. IPSAS are also mandatory since their adoption in October 2015.

Even though several efforts have been performed in the past years to change the law, incorporating the SMO's, APA'S have not reach this important objective yet. On 2017, the JTC requested to all APA`s and education sectors, to work on an updated law proposal, so they can include this document in agenda for discussion on 2018. As far as we have been informed, it hasn't happened yet; but we believe with the coming visit of our IFAC representative on May 2018, through meetings already established with JTC, Industry Regulators and firms, we will make them aware of the importance to update the existing accounting law (from 1978), for the benefit of the Country and the profession as a whole. A fact that is important to mention, regarding JTC, is that recently, since several years without changing JTC members, last October 2017, members representing APA's, Universities and JTC members, has been renovated; which give us a positive sense that this time, the objective can be accomplish.

CCPAP Governance Framework

A Council is elected annually by the membership. A number of Committees are established to support the objectives of the Council. The President and Council are much focused to comply with the Action Plan of the IFAC, through the incorporation in 2010 of a COO to develop an Action Plan, to comply and support to the Council with the purpose to attend IFAC requirements. ***Challenges and Key Success Factors***

SMO 1—As the program has been implemented on 2015, the primary challenge is to continue to make the program grow, through the incorporation of new firms, and the continuous update on techniques and standards provided by the program to firms and reviewers through training, to make sure the firms comply with Quality Program. The Regulators Committee, has their meeting on a monthly base, to evaluate and approve the audit reviews performed by the reviewers; COO from the CCPAP is a member of this Committee to shield on compliance and,

SMO 2—The implementation and introduction of Final Assessment and Practical Experience requirements for Members of the CCPAP, because actual regulations do not require a Quality Program or a Certification. CCPAP considers that a key success factor. The CCPAP has included to the IFAC Compliance Commission of the CCPAP, members of the public sector, to involve them in the adoption and implementation of a system of education for the accounting profession in line with IFAC. The IFAC Compliance Commission is strongly pushing with Government Representatives to make sure the objectives of all SMOS's will be included in the new regulation. And recently on 2017, a webinar platform was acquired by the CCPAP to support the CCPAP annual continuing education program.

This year, CCPAP has established a country program denominated "Contador, Porque Tú Cuentas". This program started March 2018, with an idea called "Gira Tierra Adentro". This initiative arose from the fact that CCPAP have identified that there's a lot of accountants in the interior of the Republic which are not just not affiliated to an APA, but also are not aware of the importance of continuing education, particularly regarding standards. CFO from CCPAP started an educational tour on the main provinces of the Republic, using as agenda, SMO's and the importance to comply with them, given participant a global view of the accounting profession.

Following, actions taken per SMO will be indicated:

SMO3—CCPAP will suggest the Government to create a new organization responsible for the adoption and implementation of ISAs and other IAASB Pronouncements promoted by IFAC. CCPAP included in their 2018 annual continuing education program, a training focusing on Modified ISA's, specifically regarding the change on the auditor opinion over financial statements.

SMO4—Seek for the support of the Inter-American Accounting Association to encourage their Panama Apa members to comply with the adoption and implementation of the IESBA Code of Ethics in the country). In the parallel, the CCPAP IFAC Compliance Commission must keep strongly pushing with Government Representatives to make sure the more recent version IESBA Code of Ethics, is included in a new regulation. In the meantime, during 2018, CCPAP COO has been moving through the country and main provinces, also rising awareness of the existence of the IESBA Code of Ethics, and the importance of the adoption and the benefits of using IESBA Code.

SMO5—The IFAC Compliance Commission of CCPAP strongly impacted Government opinion, up to the point that the Government hired a local firm to define the road map for the IPSA's adoption in the Country. As a result, on October 2015, IPSAS were adopted in Panama. In addition, Aracelly Mendez, a member of the Panama finance ministry, and in representation of the CCPAP, was incorporated in the IPSAS Board of IFAC, and was renominated. This designation allows us to keep updated in the more recent tendencies and versions of standards. On August 2017, an event called "IV Foro de Contadurias Gubernamental de America Latina-Focal", took place in Panama under the main coordination of our IPSAS Board Representative Aracelly Mendez, and with the participation as speakers of recognized figures of IFAC, IPSASB President, Ex-President of IPSASB Committee, IADB and World Bank. The main of this event was to create synergy between Latin America countries, during the process of adoption and implementation of IPSAS's.

SMO6—The CCPAP has created a special commission denominated "Research, Development & Innovation". through whom CCPAP can provide support to JTC, working on a specific research that can offer the JTC the information, analysis and tools required to strengthen the investigation and disciplinary (I&D) mechanism for the profession, to incorporate then by law.

SMO7 -- CCPAP-ISC members have identified that main limitations for medium and small businesses to adopt or implement IFRS FOR SMEs are the complexity to obtain funding, and an unclear understanding of the Standard and the adoption or convergence process. A legislation approving the use

of these standards was issued. CCPAP with Unescpa have been supporting this initiative with a representative number of seminars, trainings and Congress covering this subject, and was also part of the program of compliance and continuing education throughout the Country.

Priorities for 2018-2020

SMO 1-The quality assurance review system rollout was accomplished on December 2015, after the last stage involving training schedule, was completed. This is a voluntary, non-punitive program, regulated by a Regulatory Committee, conformed by members of the two Apa's. Ten audit firms committed to be part of this program, and reviewers were trained on review techniques. The program administrators keeps working tidly with the firms to support them during the implementation process. Colegio de Contadores Publicos Autorizados de Puerto Rico is already monitoring since 2017 the administration of the program, such as the process, to guarantee the success and continuity of the program. ALCAPA had made a big economic effort to put the program in place. US\$.100,000.00 dollars have been paid on the three initial stages of the project (consulting, travel and related expenses). Last stage (monitoring) will still have a cost of US\$.20,000.00 dollars. There is still an important economic expenditure to support the program and ensure success of approximately US\$.60,000.00 per year for the first two years. During 2017, 10 more firms where approach to be part of the program, and hopefully, by the end of 2018, we will reach 20 firms. Also on 2017, ALCAPA retake with third party APA conversations regarding their inclusion in the Quality Assurance Program. We expect for 2018, as they have expressed, their inclusion in this country program.

Projects

Even though the new legislation for the Accounting Profession was hold by the Government, and conversations with JTC during 2017, we keep pushing with different government and regulator entities to enforce the new Law to undertake the major gaps of the accounting profession. CCPAP is very active in the draft of the Law to assure that the SMO's are considered. Additionally, we have an agenda for May 2018, in which IFAC Representative, Manuel Arias, and AIC President Cornelio Porras, will hold several meetings with public and private sectors involved in the accounting profession (APA'S, JTC, Regulators and Firms), to deepen on the importance to close the gaps between local regulatory parameters vs. the global accounting tendencies.

Strategic Plan for 2015-2020

During 2015, a consultant was hired and jointly with CCPAP COO, and with approval of the BCCPAP and General Assembly of Members, an Strategic Plan for the CCPAP was developed to align local strategies to international/regional objectives and goals. The plan includes the SMO's with whom the CCPAP must comply as members of IFAC. The CCPAP Strategic Plan is updated every year. Also, activities intended to address communication and technological affairs, to strengthen the CCPAP technical skills and deliverable, not just to support our members, but the practitioners in the Country.

Jointly, a new website has been develop incorporating forums and blogs tools, such as an electronic CCPAP newsletter.

Beginning 2017, a webinar platform was acquired to align their efforts to reach the maximum amount of accountant, not just from CCPAP, but also to support accountants through the country, that does not have the access to continue education, or to new tools to perform their work. This is part of CCPAP ethics and values campaign that began early on 2018, reinforcing a social responsibility commitment with the profession.

Since 2017, CCPAP is strongly working to create cooperation agreements with local organisms that can help us to comply our objectives. This includes the main state university and other private universities, Ministry of Education (MEDUCA), the Fiscal Administrative Court (TAT, in Spanish), among others.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Update IFAC Action Plan					
1.	Bi-Annually	Update and agree Action Plan, then submit to Council for approval for submission to IFAC.	Bi-Annually		

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Establish an Effective Quality Assurance Review Program

Background:

Currently, a Quality Assurance review system in Panama has been implemented and is already in place, since December 2015. The Colegio de Contadores Públicos Autorizados de Panamá (CCPAP), through the CCPAP’s Professional Practice Commission (CCPAP-PP), took as a top priority the establishment of a sound quality assurance program. The CCPAP has a commitment to establish and provide quality, integrity and the adoption and application of best practice professional standards; particularly the program is based on International Standard on Quality Control 1 (ISQC1). The CCPAP has an obligation to the public to ensure that members in practice are aligned and consistent with their values. CCPAP and Amucopa originally signed a contract with the Colegio de Contadores Públicos Autorizados de Puerto Rico for a Quality Assurance program than can be applied and implemented in Panama. Recently, Acontap communicated of their intention to restart negotiations with ALCAPA, to sign the addenda to this contract to be part of the project. This program incorporates three phases plus an introductory phase. During February 2013, the program official Kick-Off was performed, allowing the immediate startup of introductory phase and phase 1. As of this date, phase 2 is fulfilled and phase 3 (monitoring of the program already in place) started officially on January 2016. This is a voluntary, non-punitive program, regulated by a Regulatory Committee, conformed by members of the two Aps’s. COO from the CCPAP is a member of this Committee to shield on compliance.

During 2015, a consultant was hired and jointly with the COO of the CCPAP, and the approval of the BCCPAP and General Assembly of Members, an Strategic Plan for the CCPAP was developed to align local strategies to international/regional objectives and goals. The plan includes the SMO’s with whom the CCPAP comply as members of IFAC. Also, activities intended to address communication and technological affairs, to strengthen the CCPAP technical skills and deliverable, not just to support our members, but the practitioners in the Country. Jointly, a new website has been develop incorporating forums and blogs tools, such as an electronic CCPAP newsletter; (and recently on 2017, a webinar platform was acquired by the CCPAP to support even Quality Assurance training programs.

For 2018, the challenge is to continue growing the program, promulgating the benefits of the program through the country, incorporating new firms, and preparing new reviewers, to assure firms comply, through constant training and update of the program guides, to ensure continuity and sustainability of the Program. In regard to adoption, we will keep working closer with regulatory bodies to guarantee official enrollment required by regulators.

Med Influence / High Gap

CCPAP and Amucopa (members of ALCAPA) still in the process of incorporating Acontap to join the alliance, to be part of the program.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Initial Steps in the Creation of an Effective Quality Assurance Review Program (COMPLETED-Program in Place)					
Maintaining Ongoing Processes (Phase III-Monitoring)					
2.	January 2016	Ensure, through periodic reviews, that the quality review program currently being developed, designed and implemented, are aligned with the requirements of the SMO 1. Detailed information of phase III involving monitoring and specific tasks may be find in the contract.	Ongoing (up to June 2017)	BCCPAP	-JTC -BCCPAP -CCPAPPR

#	Start Date	Actions	Completion Date	Responsibility	Resource
Review of CCPAP's Compliance Information					
3.	October 2017	Perform review of revised SMOs and CCPAP's SMO Action Plan and update relevant sections as necessary. Once updated inform IFAC compliance staff about the update, in order for the compliance staff to republish updated info.	March 2018	BCCPAP	-BCCPAP

Main Requirements of SMO 1

Requirements	Y	N	Partially	Comments
Scope of the System 1. At a minimum, mandatory QA reviews are required for all audits of financial statements.	Y			
Quality Control Standards and Other Quality Control Guidance 2. Firms are required to implement a system of quality control in accordance with the quality control standards.	Y			
3. Most up to date versions of ISQC 1 and other relevant ISA are adopted as the quality control standards.	Y			
4. Member Body assists firms in understanding the objectives of quality control and in implementing and maintaining appropriate systems of quality control.	Y			
Review Cycle 5. A cycle-based, risk-based, or a mixed approach for selecting firms for QA review is used.	Y			
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).	Y			

Requirements	Y	N	Partially	Comments
QA Review Team				
7. Independence of the QA Team is assessed and documented.	Y			
8. QA Team possesses appropriate levels of expertise.	Y			
Reporting				
9. Documentation of evidence supporting the quality control review report is required.	Y			
10. A written report is issued upon conclusion of the QA review and provided to the firm/partner reviewed.	Y			
Corrective and Disciplinary Actions				
11. Reviewed firms/partners are required to make timely adjustments to meet recommendations from the review report.	Y			
12. QA review system is linked to the Investigation and Discipline system.		N		This is a non-obligatory program, non-punitive, but remediate.
Consideration of Public Oversight				
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.		N		Oversight body will be JTC, and the program does not share information with them.
Regular Review of Implementation and Effectiveness				
14. Regular reviews of implementation and effectiveness of the system are performed.	Y			

Action Plan Subject: SMO 2- International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB
Action Plan Objective: Implementation and Introduction of Final Assessment and Practical Experience Requirements for Members of the CCPAP

Background:

The current accounting law that regulates the professional accountant practice, is Law 57 of September 1, 1978. The current situation in Panama grants membership to the CCPAP and its certification to any Panamanian citizen who hold a CPA license provided by the JTC. The requirements to obtain a CPA license, are as follows: 1). completion of national college requirements and attainment of a degree in accountancy, 2). a sworn declaration interposed by a lawyer, certifying that there is no pending case at court over the candidate, and that the candidate has not been condemned by crime, against the public faith or the property, within the five years prior to the request of the license. 3). JTC keeps a record of all Public Accountants they have certified.

The CCPAP keeps studying the channels to establish practical experience requirements, an evaluation program. Additionally, to ensure that the CCPAP establishes the education and training requirements that meet and comply with IESs, as identified previously, the CCPAP has been working doing lobby with the authorities to have a new accountant regulation. Unfortunately, the lobby has not been enough as there is strong local opposition. CCPAP statute indicates in chapter V, art. 14d that is mandatory requirement for a member to comply annually with at least 40 hours of continuing education.

As result of our conversation with other regional members of IFAC to implement a system of professional accountancy education, practical experience and certification, we have been benchmarking to identify differences, and finally we believe after looking at the Puerto Rico model, that their model will be more suitable for Panama. Based on the above, we have already discussed with the Government Representatives, which would be the best and more convenient figure for Panama, which we believe will be through the JTC, as the profession regulator. While we enforce the adoption of IES in Panama by law, CCPAP has established a commission to evaluate the creation of a voluntary certification process, aligned to IES.

During 2015, a consultant was hired and jointly with the COO of the CCPAP, and the approval of the BCCPAP and General Assembly of Members, an Strategic Plan for the CCPAP was developed to align local strategies to international/regional objectives and goals. The plan includes the SMO's with whom the CCPAP comply as members of IFAC. Also, activities intended to address communication and technological affairs, to strengthen the CCPAP technical skills and deliverable, not just to support our members, but the practitioners in the Country. Jointly, a new website has been develop incorporating forums and blogs tools, such as an electronic CCPAP newsletter; and recently on 2017, a webinar platform was acquired by the CCPAP to support the CCPAP annual continuing education program.

For 2018, the challenge is, as actual regulations do not require a Quality Program or a Certification, which CCPAP considers a key success factor, CCPAP will keep training people on the importance of this requirement, to raise the skills and quality of the work of accounting practitioners in the country.

Influence / Priority Matrix: High Influence / Low Gap

Good independence from regulatory agencies and autonomy in the establishment of guidance and influence in required standards.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Initiation of Professional Education Requirements					
4.	Oct. 2016	<p>Conversation and analysis of the topic of professional accountancy education, practical experience and certification among the CCPAP's Education Commission (CCPAP-EC). Particularly, the requirements of IES 5, Practical Experience Requirements and the requirements of IES 6, Assessment of Professional Capabilities and Competence.</p> <p>Note: The CCPAP Education Commission totally agree with the fact that Practical Experience Requirements are a must, such as Professional Capabilities and Competence. As result of this analysis, the Education Commission indicated that for Panama, they will be two viable options to get the CPA: 1). Validation of Practical Experience Requirements (for which elements of validation must be defined), and 2). CPA Exam. This has been shared with the previous Government Representatives, but as the Government has changed, we need to start all over again with this effort.</p>	June 2018	CCPAP	-CCPAP - EC
5.	Jan. 2017	<p>Conversations with other regional members of IFAC that have implemented or are in the process of implementing a system of professional accountancy education, practical experience and certification for the CCPAP's members that has as a base the requirements established in the IES 5 and IES 6.</p>	June 2017 Completed	CCPAP	CCPAP
6.	Jan. 2018	<p>In collaboration with the Universidad de Panama, identify and review the various areas of study of the professional accountancy education program and the system of regulating the professional practical experience for the members of the CCPAP. We are in the process of negotiating a cooperation agreement with Universidad de Panama accounting school, to support this objective. <u>Also, there is a program in place to promote IES in universities, and through the interior of the Republic.</u></p>	Jan. 2019	CCPAP	CCPAP – EC Universidad de Panama
7.	Apr.2018	<p>Perform a comparison of the various areas of study of the professional accountancy education program and the system of regulating the professional practical experience for the members of the CCPAP to explore alignment with IFAC IESs.</p>	Aug.2018	CCPAP	CCPAP

#	Start Date	Actions	Completion Date	Responsibility	Resource
8.	May.2018	Develop a draft document that indicates actions needed to fulfill compliance with IFAC IESs with particular attention to IES 5 and IES 6.	Sept.2018	CCPAP	CCPAP
9.	Sept..2018	Present this draft document to CCPAP members for comments.	Oct.2018	CCPAP	CCPAP
10.	Oct.2018	<p>Receive comments from the CCPAP's members and consider them in proposing a final base document for Board approval, including, among others, the following topics:</p> <ul style="list-style-type: none"> - Method for documenting practical experience and ensuring that such experience is relevant. - Action plan for establishing specialized professional practices within the CCPAP. - Competence and capabilities to be assessed. - Nature of the assessment (in written format). - Structure to validate that the assessment is reliable. - Communication Channels with public and private universities. 	Jan. 2018	CCPAP	CCPAP - EC
11.	Feb.2019	Present the document to the BCCPAP for review and approval.	Mar.2019	CCPAP	-CCPAP - EC -BCCPAP
Maintaining Ongoing Processes					
12.	May.2018	Considering the Strategic Plan for IAA mentions in their Strategy, Objectives and Action Plan a commitment to "1. Consolidate IIA as the representative and leader organism of the region... and to make the APA's members comply with IFAC SMO's", we can propose IIA to create a Special Commission to work jointly with the members in their countries creating strategies that can provide regional support to help on their process to comply with the adoption of SMO's in the region.	Jul.2018	IIA	IIA Panama APA's
13.	Ongoing	Ensure through periodic reviews, that the Entry Requirements, Professional Education, Final Assessments, and Practical Experience, currently developed and designed, are updated with the new requirements issued by IFAC.	Ongoing	CCPAP	-CCPAP - EC

#	Start Date	Actions	Completion Date	Responsibility	Resource
Review of CCPAP's Compliance Information					
14.	Oct. 2017	Perform review of revised SMOs and CCPAP's SMO Action Plan and update relevant sections as necessary. Once updated inform IFAC compliance staff about the update, in order for the compliance staff to republish updated info.	Mar. 2018	CCPAP	-BCCPAP

Action Plan Subject: SMO 2–International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB (Cont...)
Action Plan Objective: Ensure Effective Implementation of the CPD Requirements for Members of the CCPAP

Background:

The current accounting law that regulates the professional accountant practice, is Law 57 of September 1, 1978. These law does not require Panamanian citizens who hold a CPA license provided by the JTC, to maintain practical professional experience and continuous education. The CCPAP, considering the need, is evaluating requirements to establish practical professional experience. CCPAP and AMUCOPA have a mandatory practice, through the Continuous Education Program Regulation, which requires CPA’s to complete 40 hours of continuous education per year. The other Authorized Public Association (APA)’s does not have a Continuous Education Program. CCPAP statute indicates in chapter V, art. 14d that is mandatory requirement for a member to comply annually with at least 40 hours of continuing education.

It’s is important to mention that, even though, we have been evaluating requirements to establish practical professional experience to CCPAP Members, is a fact that we don’t have enough coercive power to force Members to apply CPD Requirements, unless and just, until this comes as a law. We will keep enforcing this new accountant law adoption. In this way, other APA’s also will be forced to establish a Continuous Education Program, and licensed CPA’s will be required.

This year, CCPAP has established a country program denominated “Contador, Porque Tú Cuentas”. This program started March 2018, with an idea called “Gira Tierra Adentro”. This initiative arose from the fact that CCPAP have identified that there’s a lot of accountants in the interior of the Republic which are not just not affiliated to an APA, but also are not aware of the importance of continuing education, particularly regarding standards. COO from CCPAP started and educational tour on the main provinces of the Republic, using as agenda, SMO’s and the importance to comply with them, given participant a global view of the accounting profession.

High Influence / Low Gap

Good independence from regulatory agencies and autonomy in the establishment of guidance and influence in required standards.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Continuing Professional Development Start-Up</i>					
15.	Apr.2018	Conduct an analysis of requirements of IES 7, in comparison with current requirements of CCPAP.	Nov.2018	CCPAP	CCPAP
16.	May. 2018	Identify areas where compliance with IES 7 could be enhanced (weaknesses) through benchmarking.	Aug.2018	CCPAP	CCPAP

#	Start Date	Actions	Completion Date	Responsibility	Resource
17.	Jun. 2018	Create a plan to close the gap between IES 7 and CCPAP requirements: Develop a document that shows the possible actions to be executed to comply with the IES 7 considering as guides: effective sanctions, including punitive sanctions, and respective approvals.	Ago.2016	CCPAP	CCPAP
18.	Mar.2016	Promote with the public sector the establishment of CPD (Continuous Professional Education) requirements through JTC, to enhance the accounting and audit practices.	Mar.2017	CCPAP	CCPAP JTC
19.	Sep.2016	Promote through the UNESCPA, the establishment of CPD (Continuous Professional Education) requirements lobbying with public and private universities to apply best endeavors to establish as mandatory the need of practical professional experience and continuous education; considering that there are certain universities in which professional practical experience is optional.	Dic.2016 and Ongoing	CCPAP	- CCPAP EC - BCCPAP -UNESCPA
Maintaining Ongoing Processes					
20.	Apr.2016	Considering that the Strategic Plan for IAA mentions in their Strategy, Objectives and Action Plan a commitment to "1. Consolidate IIA as the representative and leader organism of the region... and to make the APA's members comply with IFAC SMO's", we can propose IIA to create a Special Commission to work jointly with the members in their countries creating strategies that can provide regional support to help on their process to comply with the adoption of SMO's in the region.	Jun.2016	IIA	IIA Panama APA's
21.	Ongoing	Ensure through periodic reviews that the Continuing Professional Development currently developed and designed, are updated with the new requirements issued by IFAC with regards to this topic.	Ongoing	BCCPAP	-CCPAP EC -BCCPAP
Review of CCPAP's Compliance Information					
22.	Jun.2017	Perform review of revised SMOs and CCPAP's SMO Action Plan and update relevant sections as necessary. Once updated inform IFAC compliance staff about the update in order for the compliance staff to republish updated info.	Dec. 2017	BCCPAP	-BCCPAP

Action Plan Subject: SMO 3–International Standards and other Pronouncements Issued by the IAASB
Action Plan Objective: Use Best Endeavors to Assist the Junta Tecnica de Contabilidad with Implementation of ISAs and Promote Ongoing Convergence with ISAs.

Background:

In Panama, the general practice is not the development but the adoption of international standards. The Junta Tecnica de Contabilidad (JTC) is the regulatory body established by law, responsible for the adoption and promulgation of standards and regulations in Panama, for which they have created the Comision de Normas de Contabilidad Financiera (NOCOFIN) on July 10, 1986. ISAs were adopted in Panama, as they were incorporated by the Panamanian Republic as a national statutory requirement through the implementation of the Law 6 of February 2, 2005, which mainly stipules that the ISAs adopted will be the most recent version as of that date, plus any subsequent change or modification that can occur in the future. There are specific companies that are obligated to have audited financial statements, those are: banks, insurance companies and companies listed on stock exchanges commission. The regulated entities, must be regulated by their respective regulatory entity. JTC just regulate accountants and accounting standards emissions or implementations.

The CCPAP's Professional Practice Commission (CCPAP-PP) has a commitment to support the adoption and promulgation of ISAs, to strengthen the effective use and application of standards in the country. This commitment has been based in two specific actions: 1). The CCPAP have two members/representatives in the Comision de Normas de Contabilidad Financiera (NOCOFIN), which means is constantly involved with other APAs, supporting the Junta Tecnica de Contabilidad (JTC) keeping them updated over changes or new international standards that are required to be adopted (Feb.2018, members of NOCOFIN were replaced with new figures), 2). CCPAP incorporate ISAs every year in their education program, such as in Congress and Seminars, keeping accounting practitioners and members of the CCPAP updated with the more updated international standards, promoting ongoing convergence with ISAs International Standards Commission CCPAP-(ISC) has been discussing in order to determine if there is a specific methodology that can be used for the adoption of International Standards, or to identify or incorporate any changes and/or modifications over the Standards of IAASB Pronouncements.

During 2015, a consultant was hired and jointly with the COO of the CCPAP, and the approval of the BCCPAP and General Assembly of Members, an Strategic Plan for the CCPAP was develop in order to align local strategies to international/regional objectives and goals. The plan includes the SMO's with whom the CCPAP have to comply as members of IFAC. Also, activities intended to address communication and technological affairs, to strengthen the CCPAP technical skills and deliverable, not just to support our members, but the practitioners in the Country.

Jointly, a new website has been develop incorporating forums and blogs tools, such as an electronic CCPAP newsletter; and recently on 2017, a webinar platform was acquired by the CCPAP to support the CCPAP annual continuing education program.

CCPAP included in their 2018 annual continuing education program, a training focusing on Modified ISA's, specifically regarding the change on the new auditor report, and supporting through the development of implementation guides; and if its possible, through comments over IAASB drafts.

Low – Med Influence / Med – High Gap

Lack of resources and intervention channels to non-affiliated CPA's

#	Start Date	Actions	Completion Date	Responsibility	Resource
Promotion of Adoption and the Implementation of ISA's (COMPLETED)					
23.	Jan.2016	<p>Establish communications channels with JTC, other APAS, and regulatory entities to raise awareness of the adoption of the Panamanian Law 6 of February 2, 2005 which adopted the enacted ISAs at that date and any modifications or other ISAs to be issued in the future.</p> <p>Note: The main communication channel established with JTC and APAs, is through the frequent meetings established by the Comision de Normas de Contabilidad Financiera (NOCOFIN), which is a Commission conformed by a representative of the JTC and two representatives for each APA. Additionally, as we have said, we have been in several conversations with the Government promoting all SMO's to be incorporated by law.</p>	Ongoing	CCPAP	<p>-BCCPAP -JTC -APAS -Regulatory entities (Superintendencia de Bancos de Panamá, Superintendencia de Seguros, Comisión Nacional de Valores, etc.) -UNESCPA</p>
24.	Jan.2018	<p>As part of the Strategic Plan of the CCPAP, on 2017 a new website has been develop incorporating forums and blogs tools, such as an electronic CCPAP newsletter. All of these with the intention to keep raising awareness of updates and modifications to IAASB Pronouncements, to ensure CCPAP membership and non-members are aware of these changes. Recently, a webinar platform was acquired by the CCPAP to support the CCPAP annual continuing education program, which includes Modified ISA's and the change in the opinion of the auditor.</p>	Ongoing	CCPAP	CCPAP - ISC
25.	Jan.2018	<p>Develop and put into practice an adequate workshop training program of the IAASB pronunciations, not just for the CCPAP members but also for non-affiliated CPA's.</p> <p>Note: Even though we have been including ISA's in our education program, we included on 2016, an ISA's specific training program. Also, UNESCPA has incorporated ISA's in their syllabus and curricular matrix.</p>	Ongoing	CCPAP	<p>-CCPAP – EC -CCPAP- ISC</p>

#	Start Date	Actions	Completion Date	Responsibility	Resource
26.	Apr.2018	5.1 Update of the workshop training program Note: The CCPAP's Professional Practice Commission (CCPAP-PP) will be responsible for review and update of the CCPAP ISA's training program. Steps planned for developing this program are: 1). Develop a draft document identifying main elements of the training program and incorporating modification to the auditor opinion, 2). Schedule timeline table for objectives accomplishment, 3). Identify roles and responsibilities, 4). Develop the training material, and 5). Define ongoing updates and adjustments required.	Jun.2016	CCPAP	-CCPAP - EC
27.	Jun.2018	5.2. Approval of the program by the Education Committee of the CCPAP	Jun.2018	CCPAP	-CCPAP - EC
28.	Jul.2018	5.3 Review the program in trial mode	Jul.2018	CCPAP	-CCPAP - EC
29.	Aug.2018	5.4 Roll out of the workshop training program is conceived for the third quarter of year 2018.	Ongoing	CCPAP	-CCPAP - EC
Maintaining Ongoing Processes					
30.	Ongoing	Assign resources for the training of CPA's in respect to the disclosure of ISA's (i.e. governmental professionals, non-affiliated CPA's, etc.). Universities to support this effort through the consideration of the incorporation of ISA's in their academic programs.	Ongoing	CCPAP	-CCPAP - EC
31.	Ongoing	Continue to use best endeavors by identifying opportunities to further assist in implementation of ISAs. This includes review of the existing activities and updating action plan for the future activities, where necessary.	Ongoing	CCPAP	-CCPAP - EC
Review of CCPAP's Compliance Information					
32.	Oct.2017	Perform review of revised SMOs and CCPAP's SMO Action Plan and update relevant sections as necessary. Once updated inform IFAC compliance staff about the update, in order for the compliance staff to republish updated info.	Mar.2018	CCPAP	-BCCPAP

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Update the Code of Ethics to Current IESBA Code of Ethics.

Background:

The Junta Tecnica de Contabilidad (JTC) has established a Code of Ethics for Certified Public Accountants, through the implementation of Decree Law 26 of May 17, 1984. The CCPAP has the intention to promote the adjustment by-law of the Code of Ethics imposed by Decree Law 26, standardizing it to the most recent IESBA Code of Ethics, and subsequently support the Junta Tecnica de Contabilidad (JTC) through the process of promulgation to increase the public awareness of the requirements and the importance to comply. Conversation and analysis for the issuance, adoption and implementation of IESBA Code of Ethics among the BCCPAP members took place already. The fact is that the existing Code of Ethics, is not aligned to the IESBA Code of Ethics yet.

During 2015, a consultant was hired and jointly with the COO of the CCPAP, and the approval of the BCCPAP and General Assembly of Members, an Strategic Plan for the CCPAP was developed to align local strategies to international/regional objectives and goals. The plan includes the SMO's with whom the CCPAP comply as members of IFAC. Also, activities intended to address communication and technological affairs, to strengthen the CCPAP technical skills and deliverable, not just to support our members, but the practitioners in the Country.

Jointly, a new website has been develop incorporating forums and blogs tools, such as an electronic CCPAP newsletter, and recently on 2017, a webinar platform was acquired by the CCPAP to support the CCPAP annual continuing education program. By the end of 2017, a special commission was created to work updating the statutes that regulate the CCPAP. This includes the adoption of IESBA Code of Ethics for CCPAP members. This will need the approval of BCCAP and General Assembly.

In the meantime, during 2018, CCPAP COO has been moving through the country and main provinces, also rising awareness of the existence of the IESBA Code of Ethics, and the importance of the adoption and the benefits of using IESBA Code by the accountants. A specific task will be developed to highlight on the importance to promote the use of the IESBA Code, through regulatory entities, universities and PAO's.

High Influence / Low - Med Gap

There is no direct authority to non-CCPAP CPA's

#	Start Date	Actions	Completion Date	Responsibility	Resource
Adoption of IESBA Code of Ethics					
33.	May.2018	Analysis to establish guidelines required for the issuance, adoption and implementation of the IESBA Code of Ethics, among the members BCCPAP, jointly with a Bylaws Reform.	Aug.2018	CCPAP	CCPAP
34.	Aug.2018	Present a proposal to CCPAP's Members General Assembly) for the adoption of the most recent IESBA Code of Ethics.	Aug.2018	CCPAP	BCCPAP
35.	May.2018	Establish communication channels with JTC to promote the issuance of the most recent IESBA Code of Ethics and propose its approval as mandatory for the accounting profession in the country.	Sept.2018 Ongoing	CCPAP	-BCCPAP -JTC

#	Start Date	Actions	Completion Date	Responsibility	Resource
36.	Oct.2018	Expand CCPAP's education and/or establish educational programs to include courses on the revised IESBA Code requirements: 1.1 Design and development of the program. 1.2 Establish a practical application of Code of Ethics. 1.3 Review the existent Code of Ethics establish by law, to perform a comparison on the revised IESBA Code requirements. 1.4 Determine if supporting material requires to be developed from the scratch 1.5 Obtain approval of educational program implementation course of action.	Ongoing	CCPAP	-CCPAP – EC
Maintaining Ongoing Processes					
37.	May.2018	Considering that the Strategic Plan for IAA mentions in their Strategy, Objectives and Action Plan a commitment to “1. Consolidate IIA as the representative and leader organism of the region... and to make the APA's members comply with IFAC SMO's”, we can propose IIA to create a Special Commission to work jointly with the members in their countries creating strategies that can provide regional support to help on their process to comply with the adoption of SMO's in the region.	Jun.2018	IIA	IIA Panama APA's
38.	Ongoing	Ensure that the training programs for the CCPAP's members have the IESBA Code of Ethics requirements and its future updates. The rules and norms of the Code of Ethics should not be less severe than the one of the IESBA.	Ongoing	CCPAP	-CCPAP - EC
Review of CCPAP's Compliance Information					
39.	Oct.2017	Perform review of revised SMOs and CCPAP's SMO Action Plan and update relevant sections as necessary. Once updated inform IFAC compliance staff about the update, in order for the compliance staff to republish updated info.	Mar.2018	CCPAP	BCCPAP

Action Plan Subject: SMO 5–International Public Accounting Sector Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Confirm the status of the IPSAS’s adoption process

Background:

Panamanian regulations currently regulate the Public Accounting Sector in the country. IPSAs adopted in Panama are the one’s issued by the IPSASB, and were incorporated by the Panamanian Republic as a national statutory requirement through the implementation of the Law 288 of December 9, 2014, which mainly stipules that the IPSAs adopted will be the most recent version as of that date, plus any subsequent change or modification that can occur in the future.

CCPAP will support the Junta Tecnica de Contabilidad (JTC) through the process of promulgation to strengthen the public awareness and the importance and the impact of standardizing to IPSAS’s, such as to keep the Government informed regarding IPSAS’s updates. In the meantime, Aracelly Mendez, Accountant National Director of the Panama Finance Ministry, has been re-nominated by our organization, after two years as part of IPSAS Board of IFAC, in representation of the CCPAP. This designation allows panamanian professional to keep updated in the more recent tendencies and versions of standards.

During 2015, a consultant was hired and jointly with the COO of the CCPAP, and the approval of the BCCPAP and General Assembly of Members, an Strategic Plan for the CCPAP was developed to align local strategies to international/regional objectives and goals. The plan includes the SMO’s with whom the CCPAP to comply as members of IFAC. Also, activities intended to address communication and technological affairs, to strengthen the CCPAP technical skills and deliverable, not just to support our members, but the practitioners in the Country.

Jointly, a new website has been develop incorporating forums and blogs tools, such as an electronic CCPAP newsletter. Recently on 2017, a webinar platform was acquired by the CCPAP to support the CCPAP annual continuing education program, which includes IPSAS.

As a strategic priority, the CCPAP has created a special commission for the Public Sector, through whom CCPAP expects to provide strongly support in terms of training of the IPSAS for the high, medium and law layers. We still need to do some lobby with the Comptroller’s Office, to support them on training required.

On August 2017, and event called “IV Foro de Contadurias Gubernamental de America Latica-Focal”, took place in Panama under the main coordination of our IPSAS Board Representative Aracelly Mendez, and with the participation as speakers of recognized figures of IFAC, IPSASB President, Ex - President of IPSASB Committee, IADB and World Bank. The objective of this event, was to create synergy between Latin America countries, during the process of adoption and implementation of IPSAS’s.

Low Influence / High Gap

Now, there is authority or power to directly implement IPSAS’s

#	Start Date	Actions	Completion Date	Responsibility	Resource
Promotion of Adoption and the Implementation of IPSA’s (COMPLETED)					
40.	Ongoing	Since the Government has adopted the IPSAS’s, the CCPAP has been using its best endeavors to create awareness of IPSAS’s, the impact of their use around the world and the progress that has been made particularly in the Latin American region, subsequent to their adoption, reflecting the benefits of their adoption and the implementation, not just in Panama, but in countries that has successful experience on implementation.	Ongoing	CCPAP	CCPAP

#	Start Date	Actions	Completion Date	Responsibility	Resource
41.	Mar.2017	As part of the Strategic Plan of the CCPAP, a new website has been develop incorporating forums and blogs tools, such as an electronic CCPAP newsletter. All of these with the intention to keep raising awareness of updates and modifications to IPSAS, to ensure CCPAP membership and non-members are aware of changes.	Ongoing	CCPAP	CCPAP – ISC Special Commission
42.	Ongoing	Continue to develop clear communication channels with Government ministries and officials (Comptroller's Office, Industry Regulators, JTC and APA's), to promote the use of IPSAS's.	Ongoing	CCPAP	-Comptroller Office of the Republic of Panama -Minister of the Presidency -JTC -APA's
Maintaining Ongoing Processes					
43.	Ongoing	Continue to identify opportunities to further assist in IPSAS's implementation process. This includes review of the existing activities and preparation of the Action Plan for future activities where necessary, as part of task assigned to special commission created to support Public Sector.	Ongoing	CCPAP	-Comptroller Office of the Republic of Panama -Minister of the Presidency -JTC
Review of CCPAP's Compliance Information					
44.	Oct.2017	Perform review of revised SMOs and CCPAP's SMO Action Plan and update relevant sections as necessary. Once updated inform IFAC compliance staff about the update to the compliance staff to republish updated info.	Mar.2018	CCPAP	-BCCPAP -Comptroller Office of the Republic of Panama -JTC

Action Plan Subject: SMO 6—Investigation and Discipline
Action Plan Objective: Strengthening of Investigation and Disciplinary (I&D) Processes

Background:

In Panama, the Junta Tecnica de Contabilidad is the entity legally responsible for the investigation and disciplinary (I&D) mechanism for the profession. Even though Junta Tecnica de Contabilidad has legally established a process for investigating and disciplining (I&D) the profession, it is still not clear what type of elements constitute a specific issue to investigate, how effective the mechanism is or what is CCPAP's role in the process. These are some of the aspects that need to be defined and incorporated in a new Law as a responsibility of the JTC. Definitely, the JTC system is mostly manual, and is not aligned with SMO 6.

Although, background in the country suggest that there have not been much investigations initiated, or disciplinary actions taken in the past few years by the Junta Tecnica de Contabilidad. On 2014, JTC confirmed that during 2013, no investigations have been initiated or disciplinary actions taken. For 2015, there's no information yet that can be provided by the JTC.

To rectify this situation, the CCPAP should collaborate with the JTC to raise awareness and support the review of the current investigation and disciplinary mechanism to ensure professional accountants are complying with existing professional standards and ethical requirements. Also, CCPAP should support the promulgation of Investigation and Disciplinary (I&D) processes in line with SMO 6, to strengthen the effective use and application of standards in the country. This is an aspect that will need to be included and clearly defined by a new accountant law.

During 2015, a consultant was hired and jointly with the CCPAP COO, and the approval of the BCCPAP and General Assembly of Members, an Strategic Plan for the CCPAP was developed to align local strategies to international/regional objectives and goals. The plan includes the SMO's with whom the CCPAP to comply as members of IFAC. Also, activities intended to address communication and technological affairs, to strengthen the CCPAP technical skills and deliverable, not just to support our members, but the practitioners in the Country.

Jointly, a new website has been develop incorporating forums and blogs tools, such as an electronic CCPAP newsletter. Recently on 2017, a webinar platform was acquired by the CCPAP, not just to support annual continuing education program, but also to use it as a tool to raise awareness over the existence of an investigation processes by the JTC and if necessary, the imposition of disciplinary sanctions.

At present, CCPAP does not have legal authority to implement I&D; reason why we encourage JTC to promote benchmark with other countries, to strengthen I&D in the country. Also, as a strategic priority, the CCPAP has created a special commission denominated "Research, Development & Innovation", through whom CCPAP can provide support to JTC, working on a specific research that can offer the JTC the information, analysis and tools required to strengthen the investigation and disciplinary (I&D) mechanism for the profession, to incorporate then by law.

For 2017, we have been notified that there is a minimum number of complaints interposed through the JTC. Some cases particularly received verbal warning, and just a few received letter of reprimand. Other stronger sanctions that can be applied, if were needed, are CPA license suspension, or even worth, CPA license cancelation.

Medium Influence / Medium Gap

Through CCPAP, open the mechanisms to ignite awareness of disciplinary actions and /or investigative procedures.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Initiation of the Disciplinary Process and Strengthening of Investigations</i>					
45.	May.2018	Work with the JTC to carry out a review of existing procedures using SMO 6 as a benchmark.	Nov.2018	CCPAP	-BCCPAP -JTC Special Commission
46.	Jul.2018	Develop a report that shows the areas where the existing I&D mechanism is not in compliance with SMO6 requirements. Include possible actions which may need to be executed to attain compliance with the requirements of SMO6. Note: So far, we have not yet identified the areas where existing I&D mechanism is not in compliance.	Oct.2018	CCPAP	-BCCPAP -JTC -Special Commission
47.	Oct.2018	Encourage the JTC to utilize the results of the research to identify areas of weakness and improve those areas which are not in compliance with SMO 6.	Ongoing	CCPAP	-BCCPAP
<i>Maintaining Ongoing Processes</i>					
48.	Ongoing	Continue to use best endeavors to ensure that JTC's investigation and disciplinary mechanism encompasses, addressing all SMO 6 requirements. This includes review of the existing mechanism and updating the Action Plan for future activities where necessary.	Ongoing	CCPAP	-BCCPAP -JTC
<i>Review of CCPAP's Compliance Information</i>					
49.	Oct.2017	Perform review of revised SMOs and CCPAP's SMO Action Plan and update relevant sections as necessary. Once updated inform IFAC compliance staff about the update in order for the compliance staff to republish updated info.	Mar.2018	CCPAP	-BCCPAP -JTC

Main Requirements of SMO 6

Requirements	Y	N	Partially	Comments
Scope of the System				
1. A system of investigation, discipline and appeals exists for the accountancy profession. The system is operational.			P	
2. Information about the types of misconduct which may bring about investigative actions is publicly available.		N		
Initiation of Proceedings				
3. Both a “complaints-based” and an “information-based” approach are adopted.	Y			
4. Link with the results of QA reviews has been established.		N		
Investigative Process				
5. A committee or similar body exists for performing investigations.	Y			
6. Members of a committee are independent of the subject of the investigation and other related parties.	Y			
Disciplinary Process				
7. A separate disciplinary committee/entity exists to make disciplinary decisions on referrals from the investigation committee.		N		
8. Members of the committee/entity include professional accountants as well as non-accountants.	Y			Composed by 13 CPA and 1 lawyer
9. The tribunal exhibits independence of the subject of the investigation and other related parties.		N		

Requirements	Y	N	Partially	Comments
<p>Sanctions</p> <p>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.</p>	Y			
<p>Rights of Representation and Appeal</p> <p>11. A third appeals body exists which is separate from both the disciplinary committee and investigative committee.</p>	Y			The CPA can appeal to the Supreme Court.
<p>Administrative Processes</p> <p>12. Timeframe targets for disposal of all cases are set.</p>			P	
<p>13. Tracking mechanisms to monitor progress in investigation and discipline and related procedures are established.</p>		N		
<p>14. Records of investigations and disciplinary processes are established.</p>	Y			
<p>Public Interest Considerations</p> <p>15. Activities are supported to ensure that the public is aware that an investigative and disciplinary system exists in the jurisdiction.</p>	Y			
<p>16. A process for the independent review of complaints on which there was no follow-up established.</p>	Y			
<p>17. The results of the investigative and disciplinary proceedings are made available to the public.</p>		N		

Requirements	Y	N	Partially	Comments
Liaison with Outside Bodies 18. There is an appropriate process for liaison with outside bodies on possible involvement in serious crimes and offences.	Y			
Regular Review of Implementation and Effectiveness 19. Regular review of implementation and effectiveness of the system are performed and corrective actions are implemented.	Y			

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Use Best Endeavors to Assist the Junta Tecnica de Contabilidad with implementation of IFRSs and Promote Ongoing Convergence with IFRS's.

Background:

In Panama, the general practice is not the development but the adoption of international standards. The Junta Tecnica de Contabilidad (JTC) is the regulatory body established by law, responsible for the adoption and promulgation of standards and regulations in Panama, for which they have created the Comision de Normas de Contabilidad Financiera (NOCOFIN) on July 10, 1986. NOCOFIN is composed of 23 members from different APA's such as university professors; all of them, CPA's. Five members from the CCPAP are represented in NOCOFIN. One of them, as the President of NOCOFIN, and also as the main liaison with GLENIF. As NOCOFIN has no resources to operate, the President which worked until 2017 in a big firm, was the principle CPA participating in the discussions of IASB drafts and providing comments. As he retired, another CPA was assigned to this labor.

IFRSs were adopted in Panama in 2007, as they were incorporated by the Panamanian Republic as a national statutory requirement through the implementation of the Law 6 of February 2, 2005, which mainly stipules that the IFRS's adopted will be the most recent version as of that date, plus any subsequent change or modification that can occur in the future.

IFRSs adoption was a mandatory requirement for banks and stock market entities in Panama since 2000. These segments are very knowledgeable of the application of IFRSs and the Public Accounting Firms that audit these Banks and Public Entities are very capable practitioners with vast experience auditing IFRS financial statements. Large companies have been forced since 2002 by their financial institutions to apply IFRSs to obtain financing so these entities are also very capable in IFRS reporting. A key area of challenge is the small and medium businesses in Panama which have not required financing to subsist, and therefore have not yet adopted IFRS.

IFRS and IFRS for SME's are always included in the annual training program of the CCPAP. Additionally, the UNESCPA, organism attached to the CCPAP, includes IFRS in the curricular academic accounting. CCPAP will keep doing their best efforts to support the Junta Tecnica de Contabilidad through the process of strengthening the effective use and application of IFRSs in the country.

During 2015, a consultant was hired and jointly with the CCPAP COO, and the approval of the BCCPAP and General Assembly of Members, an Strategic Plan for the CCPAP was develop, to align local strategies to international/regional objectives and goals. The plan includes the SMO's with whom the CCPAP to comply, as members of IFAC. Also, activities intended to address communication and technological affairs, to strengthen the CCPAP technical skills and deliverable, not just to support our members, but the practitioners in the Country.

Jointly, a new website has been develop incorporating forums and blogs tools, such as an electronic CCPAP newsletter. Recently on 2017, a webinar platform was acquired by the CCPAP to support the CCPAP annual continuing education program. CCPAP included in their 2018 annual continuing education program, a training focusing on compliance with Modified IFRS and IFRS for SME's, such as the effects and consequences over Financial Statements presentation. Also, beginning 2018, CCPAP COO has been moving through the country and main provinces, rising awareness of the existence of IFRS and IFRS for SME's, and the importance of their implementation, to improve the quality of financial information; such as of the significance of continuing education over accounting standards.

Low – Medium Influence / Medium Gap

Active involvement in the promotion of IFRS but less power to influence governmental officials in the convergence process to IFRS's.
Lack of resources from medium and small businesses to fund the implementation process.

#	Start Date	Actions	Completion Date	Responsibility	Resource
Promotion of Adoption and the Implementation of IFRS's and IFRS's for SMEs (COMPLETED)					
50.	Jan.2018	As part of the Strategic Plan of the CCPAP, a new website has been develop incorporating forums and blogs tools, such as an electronic CCPAP newsletter. All of these with the intention to keep raising awareness of updates and modifications to IFRS and IFRS for SME's, to ensure CCPAP membership and non-members are aware of these changes. Recently, a webinar platform was acquired by the CCPAP to support the CCPAP annual continuing education program, which includes compliance with Modified IFRS and IFRS for SME's.	Ongoing	CCPAP	CCPAP - ISC
51.	May.2018	Retake IFRS for SME's Workshops (24 hours training), updating the training tools provided by the World Bank and incorporating one international trainer, to emphasize on the need for an obligation of Small and Medium Enterprises in adopting and implementing IFRS for SMEs. CCPAP keeps incorporating in their annual seminar program, IFRS and IFRS for SME's.	Oct.2018 Ongoing	CCPAP	-BCCPAP -JTC -Regulatory Entities (SIB de Panamá, Superintendencia de Seguros, Comisión Nacional de Valores, etc.)
52.	May.2018	Promote with the JTC, the establishment as a requirement that regulatory entities must oversee the compliance of banking, listed and large entities with IFRS. Work with JTC to discuss manners in which the organization can oversee compliance of small and medium sized companies with the adoption of IFRS for SMEs.	Jun.2019	CCPAP	BCCPAP -JTC -Regulatory Entities (SIB de Panamá, Superintendencia de Seguros, Comisión Nacional de Valores, etc.)
53.	Jul.2018	CCPAP develop a program for training regulatory entities in the necessary techniques and skills of compliance supervision.	Oct.2018	CCPAP	BCCPAP -JTC -Regulatory Entities (SIB de Panamá, Superintendencia de Seguros, Comisión Nacional de Valores, etc.)

#	Start Date	Actions	Completion Date	Responsibility	Resource
54.	Nov.2018	Provide a massive training to regulatory entities to strengthen their supervision skills.	Jan.2019	CCPAP	BCCPAP -JTC -Regulatory Entities (SIB de Panamá, Superintendencia de Seguros, Comisión Nacional de Valores, etc.)
Enhancement to Educational System to Further IFRS Knowledge and Implementation					
55.	Apr.2018	Promote with the MEDUCA, the incorporation of IFRSs in the curriculum of the accounting subject on public and private schools: 1. Develop a study plan incorporating IFRSs concept. 2. Establish a pilot project program, selecting two well-known accounting schools and implementing. 3. Evaluate the results of the application and perform required adjustments. 4. Standardized the implementation of the application to all public and private schools. 5. Establish a training program.	Ongoing	CCPAP	-BCCPAP
56.	Jun.2018	Promote through the JTC in collaboration with UNESCPA and other local universities, the inclusion of IFRS and IFRS for SME's in the curricular academic accounting program for the Country: 1. Identify and review the various areas of study of the professional accountancy education program, and structure a proposal to incorporate IFRS and IFRS for SME's. 2. Review and approve the proposal with the CCPAP's Education Commission (CCPAP-EC). 3. Encourage the implementation of changes through all universities that have accounting programs. 4. Establish a training program.	Oct.2018	CCPAP	-BCCPAP, CCPAP – EC, JTC, UNESCPA

#	Start Date	Actions	Completion Date	Responsibility	Resource
Ongoing Training and Education conducted by CCPAP					
57.	Jun.2018	Review latest changes to IFRS and IFRS for SME's and determine if they need to be included in the training program, as result of any change or modification.	Ongoing	CCPAP	BCCPAP
58.	Jun.2018	Approval of changes or modification of the training program by the CCPAP's Commission.	Ongoing	CCPAP	BCCPAP
59.	Jan.2018	Continue the training program about the IFRSs for the CCPAP members and others interested. In addition, continue with training through participation of IFRS' seminars and other professional arenas to further increment the support and awareness of IFRS application and guidance. Note: CCPAP has annually an IFRS Congress. Also IFRS (in modules mode) is always included in our annual training program.	Annually	CCPAP	-CCPAP's Commission
Maintaining Ongoing Processes					
60.	Ongoing	Continue to use best endeavors by identifying opportunities to further assist in the implementation of IFRS's, to whom it may be necessary. This includes review of the existing activities and updating action plans for the future activities if required.	Ongoing	CCPAP	-CCPAP -EC
Review of CCPAP's Compliance Information					
61.	Oct.2017	Perform review of revised SMOs and CCPAP's SMO Action Plan and update relevant sections as necessary. Once updated inform IFAC compliance staff about the update, in order for the compliance staff to republish updated info.	Mar.2018	CCPAP	-BCCPAP -JTC



Colegio de Contadores Públicos Autorizados de Panamá

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Apartado: 0816-06746, Panamá, Rep. de Panamá

Date May 29, 2018

Name Alta Prinsloo

Title Executive Director, Quality & Development

Company International Federation of Accountants

Address 529 Fifth Avenue, New York, NY 10017 USA

Email AltaPrinsloo@ifac.org

Dear Ms. Prinsloo,

Subject: Letter to Confirm Institutional Support for the SMO Action Plan

This letter is to confirm that the leadership of the COLEGIO DE CONTADORES PUBLICOS AUTORIZADOS DE PANAMA has reviewed the information contained in the SMO Action Plan prepared by COLEGIO DE CONTADORES PUBLICOS AUTORIZADOS DE PANAMA as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of the COLEGIO DE CONTADORES PUBLICOS AUTORIZADOS DE PANAMA, I endorse publication of the SMO Action Plan 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.

Sincerely,

President of the CCPAP Board

(Signature of President or Chairman of the Board or equivalent)

(Title)

Colegio de Contadores Publicos Autorizados de Panama-CCPAP

(Name of Organization)

May 29, 2018

(Date)



Universidad Especializada del Contador Público Autorizado



Cooperativa de Ahorro y Crédito Socios y Trabajadores del Colegio de Contadores Públicos Autorizados de Panamá



CEMENA
Centro de Mediación, Negociación y Arbitraje



Club de Esposas C.P.A.