

Accountancy in Lebanon

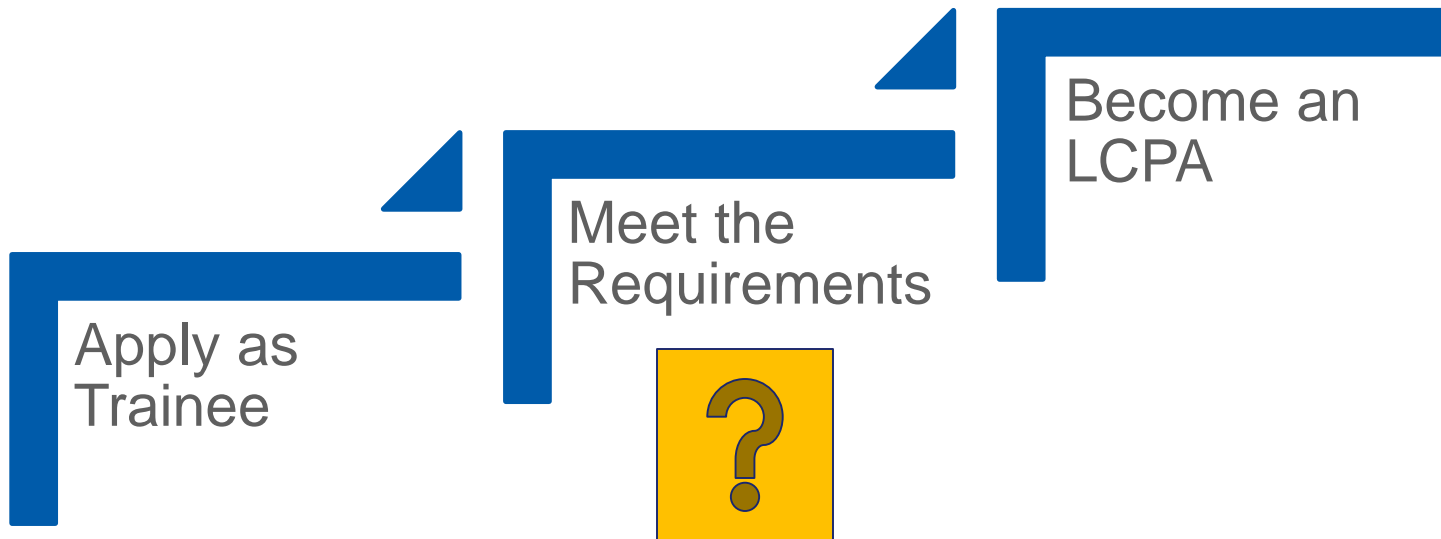
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The Lebanese Association of CPAs (LACPA)

- Only PAO
- Regulator
 - Law No 364, The Accountancy Profession Act, of 1994



Initial Professional Development



Initial Professional Development

1. Lebanese citizenship for at least 10 years
2. Minimum 21 years of age
3. No criminal record
4. Bachelor of Business Administration

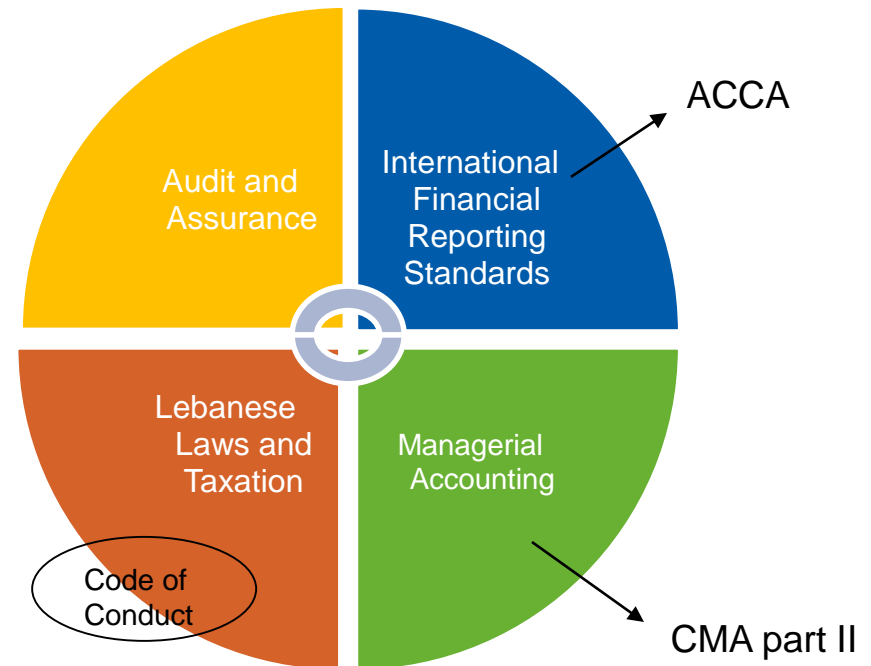
OR Technical Degree in Accounting

➤ *approved by the Ministry of Vocational and Technical Education*

5. 3 yrs training [as of the date of application]
 - 1 yr for holders of BS/ BBA + AICPA
 - 5 yrs for holders of Technical Degree
6. LACPA exams

LACPA Exams

- After one year of training, trainees are eligible to **sit for the exams**
- In each exam attempt, candidates are eligible to pass **1 exam at a time**
- **Review courses** are offered by LACPA for each topic
- **Exemptions:**
 - 3 out of 4: BS/ BBA + US CPA, CA, Expert Comptable
 - 1 out of 4: BS/ BBA + CMA
 - 1 out of 4: BS/ BBA + DipIFRS



LACPA Exams

- Passing rates: low but improving

	December-14	July-15	December-15	July-16	October-16	December-16	August-17	December-17
Audit	12.00%	34.50%	53.85%	21.05%	34.21%	43.59%	66.67%	50.63%
Law	0.00%	4.55%	25.00%	5.00%	20.69%	21.18%	18.98%	73.91%
Managerial Accounting	10.50%	9.52%	45.71%	20.34%	44.00%	46.15%	50.67%	57.78%
IFRS	3.13%	9.76%	34.09%	7.14%	25.00%	50.00%	43.37%	30.68%

LACPA Exams

- Curriculum and content
- Examination committee is completely independent of the trainers.
 - A judge
 - A representative from the Lebanese University (for accounting)
 - A representative from the Ministry of Finance (for taxation)
 - A representative from LACPA audit / acct
- Different languages / translation

Continuous Professional Development

- Input-based approach
- 40 hrs per year.
- But no monitoring or enforcement.

So, How Compliant?

IES 1

Setting and
communicating
entry
requirements

IESs 2-6

Initial
Professional
Development

IES 7 & 8

Continuous
Professional
Development

Academic Accounting Education

- Integrate into IPD / qualification
- Around 50 universities for a population of 4M!
- **Diversity** of accounting curricula
 - American vs French/Lebanese education systems
 - Combination of IFRS and US GAAP / other
 - IFRS for practice
 - US GAAP for qualification
 - US CPA designation is the most sought after

Challenges

IESs

- Diversity
- LACPA's role

IFRS

- Prevalence of SMEs
- Limited accounting expertise
- IFRS updates

- Weak /politicized institutions (LACPA)
- Corruption
- Perception

ISAs

International Standard on Quality Control (ISQC 1)

- Local CPA firm
- Forum of Firms member (Big 4 / BDO / Tala Abu Ghazaleh / Grant Thornton / Nexia International etc...)

IPSAS

Public sector accounting

- Cash basis + single-entry accounting!
- No proper register of assets
- IPSAS committee, but little progress