

Exposure Draft
July 2014
Comments due: October 27, 2014

Proposed Framework for International Education Standards (2014)

IAESB

International Accounting
Education
Standards Board™

This Exposure Draft was developed and approved by the International Accounting Education Standards Board™ (IAESB™).

The IAESB develops education standards, guidance, and information papers on initial professional development, training of professional accountants, and continuing professional education and development.

The objective of the IAESB is to serve the public interest by setting high-quality education standards for professional accountants and by facilitating the convergence of international and national education standards.

The structures and processes that support the operations of the IAESB are facilitated by the International Federation of Accountants® (IFAC®).

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REQUEST FOR COMMENTS

This Exposure Draft, *Framework for International Education Standards*, was developed and approved by the International Accounting Education Standards Board™ (IAESB™).

The proposals in this Exposure Draft may be modified in light of comments received before being issued in final form. **Comments are requested by October 27, 2014.**

Respondents are asked to submit their comments electronically through the IAESB website, using the "[Submit a Comment](#)" link. Please submit comments in both a PDF and Word file. Also, please note that first-time users must register to use this feature. All comments will be considered a matter of public record and will ultimately be posted on the website. Although IAESB prefers that comments are submitted via its website, comments can also be sent to David McPeak, IAESB Technical Director, at davidmcpeak@iaesb.org.

This publication may be downloaded from the IAESB website: www.iaesb.org. The approved text is published in the English language.

EXPLANATORY MEMORANDUM

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Introduction

This memorandum provides background to, and an explanation of, the proposed *Framework for International Education Standards* (the “ED–Framework”) approved for exposure by the International Accounting Education Standards Board (the “IAESB”) in June 2014.

Background

The extant version of the *Framework for International Education Standards for Professional Accountants* was published in December 2009. The extant Framework includes: an introduction, statements of purpose, authority, scope, and structure; as well as two parts that describe educational concepts, IAESB’s publications, and IFAC member body obligations. An appendix is included to explain the IAESB’s drafting conventions. The IAESB is proposing for purposes of clarity and conciseness to include the following four parts in the ED–Framework: introduction, purpose, and scope; educational concepts; IAESB publications; and IFAC membership obligations. Two appendices are now included in the ED–Framework to explain: the IAESB’s drafting conventions and the description of levels of proficiency.

The IAESB is proposing to update the ED–Framework with the aim of setting out the concepts that underlie the revised International Education Standards (IESs). More specifically, the IAESB is updating the extant Framework to (1) eliminate outdated or redundant sections, (2) update sections so as to align with concepts underlying the revised set of International Education Standards (“IESs”), and (3) improve clarity. The ED–Framework is targeted to meet the needs of International Federation of Accountants (IFAC) member bodies, but is relevant to a wide range of accounting education stakeholders, including, accounting faculty at universities, employers of professional accountants, professional accountants, aspiring professional accountants, and anyone interested in the work of the IAESB.

The following summarizes some of the significant changes made to the ED–Framework and these changes are discussed below.

Clarifying Title, Introduction, Purpose and Scope Paragraphs

Title

The IAESB is proposing to clarify the title, introduction, purpose, and scope sections with the aim of presenting only those concepts that underlie the principles prescribed in the revised IESs. The IAESB recognizes that the concepts identified in this document are relevant not only to professional accountants through Continuing Professional Development (“CPD”), but also apply to aspiring professional accountants through Initial Professional Development (“IPD”). As a result, the Board is proposing to shorten the title from *Framework for International Education Standards for Professional Accountants* to *Framework for International Education Standards* to recognize that the Framework concepts are applicable to both professional accountants and aspiring professional accountants.

Introduction

The introductory paragraphs of the ED–Framework have also been clarified to provide a better understanding of what services the accountancy profession provides, who the accountancy profession serves, and how the IAESB serves the public interest.

The IAESB has included new paragraph 2 in the ED–Framework to identify the activities and services provided by the accountancy profession. In addition, paragraph 3 of the ED–Framework provides additional

context by identifying the range of decision makers that the accountancy profession serves and how this creates value for society.

The IAESB has amended paragraphs 4 and 5 of the ED—Framework to include the IAESB's purpose and mission statements. Both of these statements support the IAESB's view that the ED—Framework should be aspirational, while introducing forward looking educational concepts that support its publications. Paragraph 4 aligns with the purpose statement of the 2014 - 2016 Strategy and Work Plan (the "SWP") and recognizes the IAESB's mandate to serve the public interest. Paragraph 5 explains how the IAESB seeks to achieve its mission through the implementation of the IESs and introduces the concepts and principles upon which the IESs are developed. This paragraph also explains how the IESs improves the quality of professional accounting education which promotes the purpose of the IAESB.

The IAESB also included paragraph 7 of the ED—Framework to recognize that the same term might be used in different jurisdictions and that definitions are set out in the IAESB *Glossary of Terms*.

Purpose of the Framework

The wording of the paragraph 8 on the purpose of the ED—Framework has been clarified by identifying the Framework's role in providing (a) direction to the IAESB in developing and maintaining the IESs; and (b) assistance to IFAC member bodies in their activities related to learning and development. The wording of paragraph 9 has been updated to align with terminology (aspiring professional accountants and professional accounting education programs) used in the revised IESs. Paragraph 10 of the ED—Framework has also been reworded to emphasize the need for a common set of concepts for professional accounting education and IAESB's publications.

Scope of the Framework

The IAESB is proposing a new definition for the term, professional accountant, which assists in understanding who the audience is for the revised IESs. New paragraphs 11 and 12 of the scope section of the ED—Framework include the definitions of professional accountants and aspiring professional accountants which are underlying concepts for the revised IESs. In addition, the scope section has been clarified to indicate the intended audience of the IESs and what is the scope of coverage for the requirements of the IESs.

The IAESB's *Terms of Reference* indicates that the Board's authoritative pronouncements are those pronouncements that are subject to due process for their development (See [Due Process and Working Procedures—March 2010](#) for IAESB's due process). An authoritative pronouncement also establishes requirements for which IFAC member bodies must comply. Because the ED—Framework does not include any requirements and its primary purpose is to describe the learning concepts underpinning the IESs, the IAESB is proposing the revised Framework be non-authoritative. As a result, the IAESB has removed the paragraph that indicates the concepts set out in extant Framework should apply to IFAC member bodies in the absence of specific IESs. In paragraph 15, the IAESB recognizes that the proposed ED—Framework should be a non-authoritative publication which aims to assist IFAC member bodies by providing the underlying concepts for the revised IESs.

Clarifying the Educational Concepts Section

Professional Competence

The IAESB has updated the definition of professional competence to align with that of the revised IESs. Paragraph 17 of the ED—Framework recognizes that professional competence is relevant to both aspiring

professional accountants and professional accountants. Paragraph 18 of the ED—Framework defines professional competence and explains how to achieve its components.

Learning Outcomes and Proficiency Levels

The IAESB has included several new paragraphs in the ED—Framework to introduce following key concepts used in the requirements of the revised IESs: learning outcomes, competence areas, and proficiency levels. More specifically, paragraphs 19 and 20 describe a learning outcome by defining what is a learning outcome, identifying how it is demonstrated, and providing an example of a learning outcome. Paragraph 21 is included to define what competence areas are; while, paragraph 22 describes the proficiency levels related to a competence area by listing factors that determine a proficiency level and referring to Appendix 2 which provides a description of each proficiency level.

General Education

The IAESB has included three new paragraphs in the ED—Framework to introduce the concept of, general education, which is used in the revised IESs. More specifically, paragraph 26 provides an amended definition of general education that acknowledges the development of knowledge, professional skills, and professional values, ethics, and attitudes through general education. Paragraph 27 explains the importance of general education by identifying how it helps the development of an aspiring professional accountant and a professional accountant and provides examples of topics that may be addressed in general education. Paragraph 28 acknowledges that general education can be obtained in a number of ways and recognizes that general education commences before entry into a professional accounting education program and extends into IPD and CPD.

Assessment and Measurement

The IAESB is proposing to revise the extant paragraphs on assessment and measurement to align these concepts with how they are used in the revised IESs. Paragraph 37 of the ED—Framework recognizes that assessment and measurement are linked with demonstrating the achievement of professional competence and determining whether the effectiveness of learning and development has been achieved. Paragraph 38 describes the assessment of professional competence by identifying its purpose, recognizing its value, explaining how effective assessment is achieved, and noting how a mix of assessment activities is used to assess professional competence. Paragraphs 39 and 40 describe measurement by explaining what activities are included in determining whether the components of professional competence has been achieved and identifying what the focus is for the three measurement approaches.

Clarifying Sections on IAESB Publications and IFAC Membership Obligations

The IAESB is proposing to clarify the areas on publications and membership obligations by separating these areas into two sections and improving the clarity and conciseness of these sections.

IAESB Publications

The IAESB is proposing to amend the section on International Education Standards by including two new paragraphs which describe the standards' authoritative status, how the standards are to be used by IFAC member bodies, and what references exist to identify the process used to develop the IESs. Paragraph 41 of the ED—Framework identifies the IESs as authoritative pronouncements and indicates that the standards are used by IFAC member bodies to set education requirements for aspiring professional accountants and

professional accountants. Paragraph 44 identifies the IAESB's *Terms of Reference* as a reference to understand the process used in developing the IESs.

IFAC Membership Obligations

The IAESB is also proposing to amend the section on IFAC Membership Obligations Relating to IESs to reflect changes resulting from the revision of IFAC's *Statement of Membership Obligations 2, International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB*. More specifically, paragraph 42 of the ED—Framework provides further guidance in cases where the IFAC member body uses its best endeavors to comply with the requirements of the IESs for which it has no responsibility, or shared responsibility.

Replacement Date

Subject to comments received from respondents on the Exposure Draft, the IAESB proposes that the extant Framework should be replaced with the proposed Framework when IESs 1 to 8 become effective. This is expected to be July 1, 2016, with earlier adoption encouraged.

Significant Issues

This section describes some of the issues and resulting decisions that the IAESB has taken in response to the revision of the IESs, and are summarized under the following headings.

Definition of Professional Accountant

Extant Definition

Currently, the IAESB defines a professional accountant as “an individual who is a member of an IFAC member body.” This definition resides in the IAESB *Glossary of Terms*, as well as the IESBA *Code of Ethics for Professional Accountants* and the IAASB *Glossary of Terms*. The IAESB is proposing a new definition for a professional accountant (See Appendix 1) which assists from an educational perspective in understanding who the audience is for the revised IESs and the ED—Framework.

Given that the revised IESs are aimed at the learning and development required to perform the role of the professional accountant, the IAESB requires for its pronouncements a clear and concise definition of professional accountant that conveys an understanding of the breadth of competence and functions that can be demonstrated by professional accountants. In developing the revised IESs, the IAESB recognizes that some IFAC member bodies are subject to requirements of laws or regulations within their jurisdictions. The IESs cannot legally override educational requirements or restrictions placed on individual IFAC member bodies by such laws or regulations. The proposed definition, however, can assist in understanding the target audience when developing, overseeing, or regulating the content for professional accounting education.

In developing an international definition of the term professional accountant, the IAESB has considered two primary objectives:

- *To Provide a Foundation for the IAESB for Identifying to Whom the IESs are Directed and for Whom they are Written* - The proposed definition of a professional accountant helps identify those for whom IESs are developed.
- *To Guide Public Awareness* – The proposed definition of a professional accountant facilitates a better understanding of the professional accountant by the general public and society at large, and could assist the regulatory community, government, academia, and other professions and industries.

In developing the proposed definition the IAESB considered the following problems with the current definition and several key issues.

Problems with the Existing Definition

The problems with the current definition of professional accountant can be summarized as follows:

- It does not convey an understanding of the roles and functions of the professional accountant and, therefore, does not assist in the public's understanding of the term.
- Its application and meaningfulness varies across different jurisdictions.
- It has the tendency to be circular and confusing. This confusion is often exacerbated in the translation process.
- It lacks specificity relative to non-professional accountants involved in the financial reporting process.
- It may imply that the individual is "regulated" by the IFAC member body (which is not uniformly the case across IFAC membership) or it may imply that IFAC has certain regulatory capabilities not within the scope of the IFAC mandate or its resources.
- It does not acknowledge that professional standards are adopted and enforced at the national/regional/state level through many different professional and regulatory arrangements.
- It is often understood through custom and practice to apply only to the auditing side of the profession, and is sometimes seen as failing to address members of other organizations (other than IFAC member bodies) or individuals subject to qualification and oversight.

Key Issues Considered

In developing a revised definition of professional accountant, the following issues were considered:

- The definition should include members of organizations other than IFAC member bodies and individuals who meet jurisdictional qualification requirements and are subject to oversight.
- The definition should facilitate the identification of the primary users of professional standards set by the independent standard-setting boards supported by IFAC (for example, auditors, professional accountants in business), regardless of whether they belong to an IFAC member body.
- The definition should provide an understanding of the breadth of competence and functions that can be demonstrated by professional accountants.
- The definition should be brief, easy-to-understand, and provide the general public with a broad understanding of the field of accountancy.
- The definition should clarify that other terms may be used within jurisdictions to refer to those meeting the definition of professional accountant, and such terms may be based on local law or regulation.

In addressing the issues outlined in the previous section, the proposed definition identifies that a professional accountant has expertise that has been achieved through education and experience, and meets certain requirements such as a demonstrated professional competence and, compliance with a code of ethics.

The proposed definition of the professional accountant cannot encompass every conceivable type of individual working in the field of accountancy. There are many highly-skilled individuals who may be functioning in one or more roles that may commonly fit within the public's broad understanding of the term

“professional accountant,” yet such individuals may not fall within the scope of the proposed definition. For example, consider an individual who previously held a certification, license, or credential from a professional accountancy organization but is now working as an accountant for an entity that does not require such credentialing, and is therefore no longer a member of a professional accountancy organization that requires compliance with a code of ethics. Although the individual may have previously fulfilled the proposed definition and continues to work in the field of accountancy, if the individual is no longer a member of a professional accountancy organization and is not subject to a code of ethics he/she would not be considered a professional accountant under the proposed definition. Other similar situations may exist because of national or jurisdictional requirements.

Definition of General Education

Currently, the IAESB defines general education in the IAESB *Glossary of Terms* as, “broad-based education to develop the skills necessary as a foundation for coping with the demands of professional accounting education and practical experience.” The IAESB is proposing a new definition of general education (See Appendix 1) which assists from an educational perspective in understanding who the audience is for the revised IESs and the ED—Framework.

The IAESB recognizes that the extant definition of general education should be broader in scope than developing skills, and should recognize the development of technical competence and professional values, ethics, and attitudes. As a result, the IAESB is proposing to enhance the definition of general education by indicating that education is a broad-based education through which fundamental knowledge, skills, and attitudes are developed. The IAESB also supports the need of general education in the development of the aspiring professional accountant and professional accountants. In addressing this issue, the IAESB is proposing in paragraph 26 to highlight the importance of general education in the ED—Framework by indicating that it helps to (a) prepare an individual for entry into a professional accounting education program and (b) support the professional accountant in lifelong learning and development.

The IAESB views general education as an important part of developing professional competence. To explain this view within the ED—Framework the IAESB is proposing to include new paragraph 27 that (a) describes how general education helps aspiring professional accountants and professional accountants, as well as (b) provides examples of what might be included as topics of general education.

General education can be undertaken through a number of different ways and within different settings. As a result, the IAESB has decided not to emphasize general education as a requirement of IES 3 on the development of professional skills. The IAESB is proposing to remove any confusion of only positioning general education within IPD by including new paragraph 28 of the ED—Framework that indicates general education commences before entry into a professional accounting education program and extends into IPD and CPD.

Guide for Respondents

Request for General Comments

The IAESB welcomes comments on all matters addressed in this proposed Framework for International Education Standards (See **Appendices 1 and 2**). Comments are most helpful when they refer to specific paragraphs, include the reason for the comments and, where appropriate, make specific suggestions for any proposed changes to wording to enable the IAESB to fully appreciate the respondent’s position. Where a respondent agrees with proposals in the exposure draft (especially those calling for a change in current practice), it will be helpful for the IAESB to be made aware of this view.

Request for Specific Comments

The IAESB is particularly interested in comments on the matters set out below:

Question 1: The IAESB is proposing to include the following definition of professional accountant in the updated Framework.

A professional accountant is an individual who achieves, demonstrates, and maintains professional competence in accountancy and who is bound by a code of ethics.

Is the definition of a professional accountant appropriate for users of the IESs? If not, please explain.

Question 2: The IAESB is proposing to include the following definition of general education in the updated Framework.

General education is a broad-based education through which fundamental knowledge, skills, and attitudes are developed.

Is the definition of general education appropriate for users of the IESs? If not, please explain.

Question 3: As indicated in the IAESB's Terms of Reference, the Board's authoritative documents are those pronouncements that are subject to due process for their development (See [DUE PROCESS AND WORKING PROCEDURES—March 2010](#) for IAESB's due process).

The extant Framework is an authoritative pronouncement, meaning it establishes requirements for which IFAC member bodies must comply. Because the proposed draft of the Framework does not include any requirements and its primary purpose is to describe the learning concepts underpinning the IESs, the IAESB is proposing the revised Framework be non-authoritative. Do you agree with this change? If not, why?

Question 4: Is the updated Framework clear and easy to understand? If not, please explain.

Question 5: Does the updated Framework appropriately align with the recently revised IESs (See <https://www.ifac.org/sites/default/files/publications/files/Handbook-of-International-Education-Pronouncements-2014.pdf>)? If not, what gaps or differences should be addressed?

Question 6: Are there any other terms within the Framework which require further clarification? If so, please explain the nature of the deficiencies.

Question 7: Are there any other learning concepts relevant to the IESs that should be added to the Framework? If yes, please describe the concepts that should be added.

Supplement to the Exposure Draft

To assist respondents in tracking changes, IAESB staff has mapped the content of the proposed ED—Framework (July 2014) to the extant Framework (2009). This staff-prepared mapping document is available on the IAESB website at <http://www.ifac.org/Education/ExposureDrafts.php>. It is for information purposes only and does not form part of the exposure draft.

Proposed Conforming Amendments

The following glossary terms either appear in the revised IESs or the IAASB *Glossary of Terms*. The proposed ED—Framework (July 2014) builds upon these terms. The IAESB would also appreciate respondents' comments on these Glossary terms.

IAESB Glossary of Terms

Add:

Professional accountant	A professional accountant is an individual who achieves, demonstrates, and maintains professional competence in accountancy and who is bound by a code of ethics.
General education	General education is a broad-based education through which fundamental knowledge, skills, and attitudes are developed.

PROPOSED DEFINITIONS

Professional Accountant

A professional accountant is an individual who achieves, demonstrates, and maintains professional competence in accountancy and who is bound by a code of ethics.

General Education

General education is a broad-based education through which fundamental knowledge, skills, and attitudes are developed.

**PROPOSED FRAMEWORK FOR
INTERNATIONAL EDUCATION STANDARDS**

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PART ONE—INTRODUCTION, PURPOSE, AND SCOPE

Introduction

1. This *Framework for International Education Standards* (the “Framework”) establishes the concepts the International Accounting Education Standards Board (“IAESB”) uses in its publications. The Framework also provides an introduction to the IAESB publications and related International Federation of Accountants (“IFAC”) member body obligations.
2. The accountancy profession involves:
 - Managing, measuring, recognizing, preparing, analyzing, and disclosing reliable financial and relevant non-financial information;
 - Auditing financial information and, where applicable, non-financial information; and
 - Providing assurance and advisory services.
3. The accountancy profession serves the financial and, in some circumstances, the non-financial information needs of a broad range of decision makers, including (a) the public, (b) present and potential investors, (c) managers and employees within organizations, (d) suppliers, (e) customers, and (f) governments and their agencies. The accountancy profession’s ability to satisfy users’ information needs contributes to an efficient economy which creates value to society.
4. The IAESB exists, in the public interest, to raise the level of confidence and trust of stakeholders in the work of professional accountants.
5. The IAESB’s mission is to serve the public interest by strengthening the worldwide accountancy profession through the development and enhancement of education. The IAESB seeks to achieve its mission through the development, adoption, and implementation of International Education Standards (“IESs”). Implementation of the IESs improves the quality of professional accounting education worldwide. The IESs set out:
 - Competence areas and learning outcomes for aspiring professional accountants; and
 - How professional accountants develop and maintain professional competence through continuing professional development (“CPD”).
6. Development and implementation of IESs contribute to other desirable outcomes, which include:
 - Reducing international differences in the requirements to perform a role as a professional accountant;
 - Facilitating the global mobility of professional accountants; and
 - Providing international benchmarks against which IFAC member bodies can measure themselves.
7. Terminology in accounting education is not universal; the same term might be used in different ways in various jurisdictions. Definitions and explanations of the key terms used in the Framework and IESs are set out in the *IAESB Glossary of Terms* (the “Glossary”).

Purpose of the Framework

8. The Framework provides direction for the IAESB as it continues to develop and maintain the IESs. The Framework is also intended to assist IFAC member bodies in their activities related to the learning and development of aspiring professional accountants and professional accountants.
9. The Framework is also useful to other stakeholders who support the learning and development of aspiring professional accountants and professional accountants. These other stakeholders include:
 - Universities, employers, and other stakeholders who play a part in the design, development, or assessment of professional accounting education programs for aspiring professional accountants and professional accountants;
 - Regulators who are responsible for oversight of the work of the accountancy profession;
 - Government authorities with responsibility for legal and regulatory requirements related to professional accounting education;
 - Aspiring professional accountants and professional accountants who undertake their own learning and development; and
 - Any other stakeholders interested in the work of the IAESB and its approach to developing publications on professional accounting education.
10. The intended benefits of the Framework include:
 - IESs that are consistent, because they are based on a common set of concepts relevant to professional accounting education;
 - An efficient and effective standard-setting process by providing a conceptual base for the IAESB's publications; and
 - Increased transparency and accountability of the IAESB for its decisions, because the concepts underlying the IAESB's decisions are included in the Framework.

Scope of the Framework

11. The IAESB defines a professional accountant as an individual who achieves, demonstrates, and maintains professional competence in accountancy and who is bound by a code of ethics.
12. The IAESB defines an aspiring professional accountant as an individual who has commenced a professional accounting education program as part of Initial Professional Development ("IPD").
13. Through the IESs, the IAESB sets requirements for the professional accounting education of aspiring professional accountants and for CPD of professional accountants.
14. The IAESB may also establish requirements for roles that are (a) widely practiced by professional accountants or (b) recognized as having specific public interest internationally.
15. The IAESB applies the concepts set out in the Framework when developing the IESs. The concepts in this Framework may also be applied to other aspects of professional accounting education not covered by a specific IES.
16. Other stakeholders can apply the concepts set out in the Framework when designing, developing, and assessing professional accounting education for aspiring professional accountants and professional accountants.

PART TWO—EDUCATIONAL CONCEPTS

Professional Competence

17. The overall objectives of professional accounting education are to (a) develop the professional competence of aspiring professional accountants, and (b) develop and maintain the professional competence of professional accountants.
18. Professional competence is the ability to perform a role to a defined standard. Professional competence goes beyond knowledge of principles, standards, concepts, facts, and procedures; it is the integration and application of (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes.

Learning Outcomes and Related Concepts

19. The IESs include learning outcomes which prescribe the content and depth of knowledge, understanding, and application required for specified competence areas. Learning outcomes can be demonstrated within the context of a work environment or a professional accounting education program.
20. The following is an example of a learning outcome for the technical competence of a professional accountant working in a financial accounting role: Prepare financial statements, including consolidated financial statements, in accordance with International Financial Reporting Standards (“IFRSs”) or other relevant standards. Achieving this learning outcome requires knowledge of the IFRSs, the ability to assess their relevance to the situation, and the ability to apply the requirements of the relevant IFRSs.
21. The IESs include competence areas that are categories for which a set of related learning outcomes can be specified.
22. The level of proficiency required for a competence area depends on such factors as (a) the complexity of the environment, (b) the variety of tasks, (c) required specialist knowledge, (d) influence on the work of others, (e) level of autonomy, and (f) required level of professional judgment. Appendix 2 provides a description of the levels of proficiency that are used in the IESs. The level of proficiency for competence areas to be achieved by the end of IPD is prescribed in the IESs.

Learning and Development

23. Learning and development is an ongoing process of developing and maintaining professional competence throughout the career of a professional accountant. The primary types of learning and development are defined by the IAESB as follows:

Education¹

Education is a structured and systematic process aimed at developing knowledge, skills, and other capabilities; a process that is typically but not exclusively conducted in academic environments.

Practical experience

¹ The IAESB uses the term “education” in its own title and publications; however, its terms of reference include the entire learning and development process.

Practical experience refers to workplace activities that are relevant to developing professional competence.

Training

Training is used to describe learning and development activities that complement education and practical experience. It has an emphasis on practical application, and is usually conducted in the workplace or a simulated work environment.

24. The extent to which the different types of learning and development are used may vary. For example, during the initial stages of IPD more emphasis may be placed on professional accounting education than in later stages of learning and development. During CPD the balance may shift more to learning and development through practical experience and training.
25. In addition to education, practical experience, and training, the term learning and development includes activities such as (a) coaching, (b) networking, (c) mentoring, (d) observation, (e) reflection, and (f) self-directed and unstructured gaining of knowledge.

General Education

26. General education is a broad-based education through which fundamental knowledge, skills, and attitudes are developed. General education helps prepare an individual for entry into a professional accounting education program and supports lifelong learning and development.
27. General education helps aspiring professional accountants and professional accountants think and communicate effectively, as well as integrate technical competence, professional skills, and professional values, ethics, and attitudes to demonstrate professional competence. Examples of topics that general education may address include, but are not limited to, (a) an understanding of the flow of ideas and events in history, (b) the different cultures in today's world, and (c) a sense of the breadth of ideas, issues, and contrasting economic, or political and social forces in the world.
28. General education may be obtained in a number of different ways and within different settings. General education commences before entry into a professional accounting education program and extends into IPD and CPD. IPD and CPD build upon the foundation of general education.

Initial Professional Development

29. IPD is learning and development through which aspiring professional accountants first develop professional competence leading to performing a role of a professional accountant.
30. IPD includes professional accounting education, practical experience, and assessment, as follows:

Professional accounting education

Education and training that builds on general education, and develops (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes.

Practical Experience

Practical experience refers to workplace activities that are relevant to developing professional competence.

Assessment

Measurement of professional competence developed throughout learning and development.

31. IPD continues until aspiring professional accountants can demonstrate the professional competence required for a chosen role as a professional accountant. One result of demonstrating this professional competence may be admission to membership in an IFAC member body.
32. Qualification, licensing or certification (“qualification”) is the formal recognition of an individual having attained a professional designation, or having been admitted to membership in an IFAC member body. There are significant legal and regulatory differences in the point of qualification internationally and it may occur from very early to very late in a career. IFAC member bodies may define the appropriate link between the end of IPD and the point of qualification for its members.

Continuing Professional Development

33. CPD is learning and development that develops and maintains professional competence to enable professional accountants to continue to perform their roles competently. CPD provides ongoing development of the (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes which were achieved during IPD.
34. Change is a significant characteristic of the environment in which professional accountants work, requiring them to develop and maintain their professional competence throughout their careers. Pressures for change come from many sources, including (a) public expectations, (b) globalization, (c) advances in technology, (d) business complexity, (e) societal changes, and (f) the expansion of stakeholder groups, including regulators and oversight bodies. CPD is the process by which professional competence gained during IPD is continually developed and maintained. CPD includes practical experience.
35. Professional competence requirements may change as professional accountants take on new roles during their careers. For example, a professional accountant in business may wish to become an accounting educator; or an accounting technician may wish to work in an audit role. In such cases, CPD that includes many of the same elements as IPD may be necessary for a role as a professional accountant that requires additional breadth and depth of (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes.
36. Practical experience is integral to CPD because it provides individuals with the opportunity to develop their professional competence within the work environment. As a professional accountant’s career progresses, emphasis often shifts from structured learning activities to practical experience.

Assessment and Measurement

37. Assessment and measurement are central to the process of demonstrating that professional competence has been achieved and therefore that learning and development has been effective.
38. The purpose of assessment is to gather evidence that the appropriate level of professional competence has been achieved to performing a role of a professional accountant. In addition, assessment provides valuable information that may be used to improve the quality of professional accounting education programs. Effective assessment activities achieve high levels of validity, sufficiency, reliability, equity, and transparency. A mix of different assessment activities is often adopted to assess professional competence.
39. Assessment includes measurement of the professional competence achieved through learning and development. In the context of assessment, measurement includes monitoring, evaluating, and

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providing verifiable evidence to the achievement of (a) technical competence, (b) professional skills, and (c) professional values, ethics, and attitudes.

40. Measurement approaches focus on measuring observable outputs (for example, workplace performance, workplace simulations, written examinations, and self-assessment), quantifiable inputs (for example, CPD hours or equivalent learning units), or a combination of both.

PART THREE—IAESB PUBLICATIONS

International Education Standards

41. The IESs are authoritative and are used by IFAC member bodies when setting education requirements for aspiring professional accountants and professional accountants.
42. The IESs establish requirements for (a) entry to professional accounting education programs, (b) IPD and (c) CPD.
43. The IAESB is conscious of (a) the diversity of culture and language, educational, legal, and social systems globally, and (b) the variety of roles performed by professional accountants. Therefore, the IESs are principle-based standards that allow IFAC member bodies flexibility in implementing the requirements of the IESs. Each IFAC member body needs to determine how best to implement the requirements of the IESs and is subject to the *Statements of Membership Obligations* (“SMOs”). The IAESB also recognizes that individual IFAC member bodies may adopt learning and development requirements that go beyond the IESs.
44. The process that the IAESB follows in developing its standards is set out in the *IAESB Terms of Reference*.
45. The IESs are written in accordance with the *IAESB Drafting Conventions* that are set out in Appendix 1.

Related IAESB Publications

46. In support of the IESs, the IAESB issues other publications such as information papers. From time to time, the IAESB may also issue additional support material such as interpretation guidance, to assist IFAC member bodies in achieving good practice in learning and development.

PART FOUR—IFAC MEMBERSHIP OBLIGATIONS

IFAC Membership Obligations Relating to IESs

47. Individual IFAC member bodies determine the competences and criteria for membership that are appropriate to a role as a professional accountant which their members undertake. The SMOs set out the obligations of IFAC member bodies and associate bodies. Obligations related to the IESs may be found in *Statement of Membership Obligations 2, International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB (SMO 2)*.
48. Some IFAC member bodies are subject to the requirements of law or regulation within their jurisdictions. IESs cannot legally override educational requirements or restrictions placed on individual IFAC member bodies by such laws or regulations. In cases where IESs set a higher requirement than laws or regulations, SMO 2 requires that the IFAC member body uses its best endeavors to comply with the requirements of the IESs for which it has no responsibility, or shared responsibility, for areas covered by the IESs. In these instances, the IFAC member body would determine its level of responsibility, assume the appropriate set of actions to best meet its obligations under SMO 2, and encourage those responsible to implement the requirements of the IESs into those laws or regulations.

IAESB DRAFTING CONVENTIONS

Language and Structure

In developing the IESs, the selection of appropriate wording will be guided, wherever possible, by these *IAESB Drafting Conventions* and the Glossary. Definitions found in the IAESBs pronouncements are included in the Glossary. The Glossary is intended to support translation, interpretation, and application. The definitions are not intended to override definitions that may be established for other purposes, whether in law, regulation or otherwise.

The structure of the IESs shall be organized to include the following as separate sections: Introduction, Objectives, Requirements, and Explanatory Material.

Introduction

The introductory material includes information regarding the purpose and scope that provides context relevant to a proper understanding of each IES.

Objectives

The IESs contain a clear statement of the objectives of the standard. The objectives assist an IFAC member body to understand the overall aim of the standard, what needs to be accomplished, and to decide whether more needs to be done to achieve the objectives.

Requirements

The objectives are supported by clearly stated requirements that are necessary to achieve the objectives. Requirements are always expressed using the term “shall.”

Explanatory Material

The explanatory material is intended to explain requirements in more detail to assist in their application and may include examples of how to meet the requirements. The explanatory material does not in itself impose any additional requirements; its purpose is to assist in their application.

DESCRIPTION OF LEVELS OF PROFICIENCY

This description of levels of proficiency supports the IAESB's use of learning outcomes in IESs and other publications. It provides descriptions of three levels of proficiency. These descriptions, together with the learning outcomes, provide information to help member bodies design their professional accounting education programs for a variety of professional accounting roles and specializations.

Level of Proficiency	Description
Foundation	<p>Typically, learning outcomes in a competence area focus on:</p> <ul style="list-style-type: none"> • Defining, explaining, summarizing, and interpreting the underlying principles and theories of relevant areas of technical competence to complete tasks while working under appropriate supervision; • Performing assigned tasks by using the appropriate professional skills; • Recognizing the importance of professional values, ethics, and attitudes in performing assigned tasks; • Solving simple problems, and referring complex tasks or problems to supervisors or those with specialized expertise; and • Providing information and explaining ideas in a clear manner, using oral and written communications. <p>Learning outcomes at the foundation level relate to work situations that are characterized by low levels of ambiguity, complexity, and uncertainty.</p>
Intermediate	<p>Typically, learning outcomes in a competence area focus on:</p> <ul style="list-style-type: none"> • Independently applying, comparing, and analyzing underlying principles and theories from relevant areas of technical competence to complete work assignments and make decisions;
	<ul style="list-style-type: none"> • Combining technical competence and professional skills to complete work assignments; • Applying professional values, ethics, and attitudes to work assignments; and • Presenting information and explaining ideas in a clear manner, using oral and written communications, to accounting and non-accounting stakeholders. <p>Learning outcomes at the intermediate level relate to work situations that are characterized by moderate levels of ambiguity, complexity, and uncertainty.</p>

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Level of Proficiency	Description
Advanced	<p>Typically, learning outcomes in a competence area focus on:</p> <ul style="list-style-type: none"> • Selecting and integrating principles and theories from different areas of technical competence to manage and lead projects and work assignments, and to make recommendations appropriate to stakeholder needs; • Integrating technical competence and professional skills to manage and lead projects and work assignments; • Making judgments on appropriate courses of action drawing on professional values, ethics, and attitudes; • Assessing, researching, and resolving complex problems with limited supervision; • Anticipating, consulting appropriately, and developing solutions to complex problems and issues; and • Consistently presenting and explaining relevant information in a persuasive manner to a wide-range of stakeholders <p>Learning outcomes at the advanced level relate to work situations that are characterized by high levels of ambiguity, complexity, and uncertainty.</p>

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