

Accountancy Profession Act 1979
Cap. 281

Directive 7 issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281) - the Accountancy Profession (Local Variant Examinations Delegation of Authority) Directive

In exercise of the powers conferred by article 8(2) of the Accountancy Profession Act (hereinafter referred to as "the Act"), the Accountancy Board with the approval of the Minister for Finance and Employment is hereby issuing the following Directive:

Name and commencement date

1. This Directive may be cited as the Accountancy Profession (Local Variant Examinations Delegation of Authority) Directive.
2. This Directive will come into force on the eighth (8th) day immediately following the day on which it is published (hereinafter the "Effective Date").

INTRODUCTORY MEMORANDUM

Introduction

This memorandum provides background to, and explanation of, the Accountancy Profession (Local Variant Examinations Delegation of Authority) Directive, being issued by the Accountancy Board as a Directive in terms of the Accountancy Profession Act (Cap 281).

Background

In terms of article 3 of the Accountancy Profession Act (Chapter 281 of the Laws of Malta), an individual who successfully completes the course leading to the award of the University of Malta accountancy degree or attained university entrance or equivalent level, then completed a course of theoretical instruction recognised by the Accountancy Board, is eligible to obtain a warrant to practice as a Certified Public Accountant (CPA). The subjects to be covered in this course of theoretical instruction are further prescribed by regulation 7 of the Accountancy Profession Regulations (Subsidiary Legislation 281.01). The Accountancy Profession Act also stipulates that if an individual has completed a relevant course of theoretical instruction which did not cover all the subjects prescribed, particularly the examinations relating to the local laws, or any other subjects, the individual is required to pass these examinations to be considered as a potential candidate for a warrant. This latter requirement is extended to any individual who qualifies in a third country to act as an accountant by a qualification which is recognised as equivalent by the Accountancy Board. Unless covered in the courses alluded to above, another pre-requisite in terms of article 3(2)(d) of Cap. 281 of the Laws of Malta, is the fact that the individual has passed an examination, part, or all of which must be in writing, of professional competence of University final or equivalent examination level, recognised or set by the Accountancy Board for that purpose. Similarly, as per article 4 of Cap. 281 of the Laws of Malta, an individual who is an approved auditor in any Member State, is required to pass an aptitude test covering the local laws and regulations which are relevant to auditing and which are set by the Accountancy Board for this purpose, before being considered for a practicing certificate to practise in the field of auditing in Malta.

The Malta Institute of Accountants (“MIA”), an approved accountancy body in terms of the Recognition of the Malta Institute of Accountants Regulations (S.L. 281.06) has, over the years, been involved in the offering of a system of examinations relevant to the profession, and in the early 1990s, also went on to develop its own MIA Qualification. It was eventually agreed that the MIA would align its examination system with that of the Association of Chartered Certified Accountants (“ACCA”), United Kingdom. To this end, as from 2002, MIA’s students were able to sit for all ACCA examinations, whilst at the same time also sit for the local variant examinations relating to Maltese law and taxation, as organised by the MIA. This enabled students to apply for the local CPA warrant conferred by the competent authority in Malta. This led to the development of the current MIA-ACCA Joint Examination Scheme (JES), offering both the ACCA Qualification and ACCA’s Foundations in Accountancy suite of qualifications. One key service which is offered by the MIA is the provision of local variant examinations to national or foreign individuals who are interested in obtaining a local warrant. Through the provision of this service, the Institute is servicing a gap in the local market by making it possible for individuals to sit for the local variant examinations through an alternative and efficacious route.

The MIA and ACCA have a Joint Examination Scheme (JES) agreement covering both the ACCA Qualification and ACCA’s Foundations in Accountancy suite of qualifications. Under such

agreement, the MIA is the only joint scheme partner in Malta. In this regard, any students undertaking any ACCA examinations in Malta must be registered with the MIA, and once the ACCA qualification is obtained under the JES, the individual would be eligible to become a member of both ACCA and MIA.

In its Press Release dated 7 May 2021 the Accountancy Board confirmed that it will continue to accept the ACCA qualification as a course of theoretical instruction in partial fulfilment of the requirements for the granting of the Certified Public Accountant (CPA) warrant in Malta post-Brexit in the same way as it had been accepted prior to Brexit, and this subject to the qualification being inclusive of the Maltese Law and Taxation variants. Consequently, at present, such acceptance is conditional to the ACCA qualification being either partially or fully undertaken under the MIA-ACCA Joint Examination Scheme i.e. with Maltese Law and Taxation variants offered either directly by the Joint Examination Scheme or by the University of Malta or equivalent. Consequently, these local variant examinations are recognised by the Accountancy Board not only as a necessary requirement for the fulfilment of the requisite found in article 3 (2) (c) but also as a fulfilment of the requisite found in article 3 (2) (d) of Cap. 281 of the Laws of Malta.

The Accountancy Board or the MIA, as the locally recognised accountancy body, are best placed to oversee examinations relating to such local variants adapted to national needs and requirements. In this scenario it is imperative that the Accountancy Board or the MIA has effective oversight in the management and administration of this process. The MIA's handling of this role is consequently being further strengthened so that the MIA effectively manages with ACCA the syllabi, the choice of examiners, and the examination papers, relating to the local variant examinations.

In terms of article 7B of Cap. 281 of the Laws of Malta, the Accountancy Board is empowered to delegate any of the tasks required to be undertaken pursuant to the said Act to other authorities or bodies designated or otherwise authorised by law to carry out such tasks, except for those limited tasks expressly specified by law.

Consequently, in those cases where the academic examination of local variants is required when members of non-Maltese accountancy bodies are to be considered for acceptance, the examination of such local variants (example Law, Taxation, Public Policy) is to be carried out by the Accountancy Board or delegated by the Board to a national approved accountancy body for accountants in Malta, acting solely or jointly with a foreign approved accountancy body. In instances of joint administration by the local recognised accountancy body and the Foreign Accountancy Body, the local body shall have a full and equal say with the foreign accounting body in the determination of syllabi, the choice of examiners, the standards of examination papers and the academic levels to be achieved by the candidates to be successful in attaining the levels determined to be achieved in these examinations. In the eventuality of disagreement, the matter shall be referred to the Accountancy Board and the ultimate decision with respect to the aforementioned elements, rests with the Accountancy Board. The Accountancy Board may choose to issue further directives regulating the conditions of this relationship. In accordance with subarticle (3) of article 7B of Cap. 281 of the Laws of Malta the Accountancy Board may at any time reclaim these competences on a case-by-case basis.

Local Variant Examination – Delegation of Authority

3. In virtue of the powers granted to it by articles 3, 4, 7B and 8 of the Accountancy Profession Act (Cap. 281 of the Laws of Malta), the Accountancy Board, whilst retaining the right to organise the delegated function itself, hereby expressly delegates to the Malta Institute of Accountants (“MIA”) solely or jointly with the Association of Chartered Certified Accountants (“ACCA”) the administration of the local variant examinations in Malta relative, but not limitedly, to Maltese law and taxation and public policy.

Administration of Local Variant Examinations

4. In regard to the administration of the local variant examinations in Malta, the Accountancy Board is hereby granting the MIA full and equal rights, solely or jointly with the ACCA or with any other foreign approved accountancy body, in the determination of syllabi, the choice of examiners, the standards of examination papers and the academic levels to be achieved by the candidates to be successful in attaining the levels determined to be achieved in these examinations. In the eventuality of disagreement, the matter shall be referred to the Accountancy Board and the ultimate decision with respect to the afore-mentioned elements, rests with the Accountancy Board.

Retention of rights

5. The Accountancy Board retains the right to issue further directives regulating the conditions of this relationship. Furthermore, in accordance with subarticle (3) of article 7B of Cap. 281 of the Laws of Malta, the Accountancy Board may at any time reclaim the delegated competences on a case-by-case basis.
