

Accountancy Profession Act 1979  
Cap. 281

**Directive Number 1 issued in terms of the Accountancy Profession Act (Cap. 281) and of the Accountancy Profession Regulations 2009**

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 is hereby issuing the following Directive:

1. This Directive may be cited as the Accountancy Profession (Continued Professional Education) 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"). As from the Effective Date, this Directive shall replace Directive Number 1 previously issued by the Board.

3. (a) In this Directive:

"continued professional education" (hereinafter referred to as "CPE"), shall mean activities that should contribute to the continued professional development of a warrant holder;

"core competencies" shall have the meaning assigned to it in the CPE Scheme;

"professional development competencies" shall have the meaning assigned to it in the CPE Scheme;

"structured CPE activities" shall mean those learning activities which ***are relevant, measureable and verifiable, and that are designed to impart specific technical and professional knowledge to a warrant holder undertaking them;***

"unstructured CPE activities" shall mean those learning activities that may be achieved through private reading and study;

"CPE Scheme" shall mean a set of rules aimed at providing guidance to maintain the required standards of continued professional education for warrant holders;

"CPE accreditation" shall mean the evaluation of learning activities for the purpose of determining the number of hours, if any, to which each activity may be deemed equivalent under the CPE Scheme;

"warrant" shall mean a warrant or practising certificate issued in terms of Article 4 of the Act and the term "warrant holder" shall be construed accordingly;

(b) The provisions of this Directive shall be interpreted in the light of the Act and any regulations issued thereunder.

(c) Terms used in this Directive and not defined shall, unless the context otherwise requires have the meaning assigned to them in the Act.

4. (1) All warrant holders shall maintain the appropriate level of professional competence by engaging in continued professional education in accordance with the rules contained in this Directive, so however that this rule does not apply to (a) warrant holders who are not practicing their profession, either in employment or in public practice, whether on a full time or part time basis, *and have been exempted from the requirements of this rule by the Board: or (b) warrant holders who are over 60 years of age and whose earnings from the exercise of their profession do not exceed €5,000 per annum;* and the term “warrant holders” shall be construed accordingly for the purposes of this rule 4.

(2) All warrant holders must spend at least twenty-five (25) hours per calendar year (hereinafter “the minimum annual structured CPE requirement”), on structured CPE activities and fifteen (15) hours per calendar year on unstructured CPE activities (hereinafter “the minimum annual unstructured CPE requirement”).

At least ten (10) hours of the minimum annual structured CPE requirement must be carried out in those areas qualifying as core competencies. The remaining fifteen (15) hours of structured CPE must be carried out in those areas qualifying as either Core or Professional Development Competencies.

(3) Warrant holders shall be exempt from carrying out CPE activities in the year they obtain their warrant.

For the purposes of complying with the requirements of this rule, warrant holders must comply with the rules of a CPE Scheme as approved and published by the Board and administered by an approved accountancy body or bodies (hereinafter referred to as “the approved accountancy body”) as may be delegated by the Board from time to time under such conditions as the Board may deem fit and subject to the ultimate overall supervision and control of the Board.

(4) The approved CPE Scheme shall be available to all warrant holders and shall include, inter alia:

(a) General guidance and detailed description of the nature and scope of education activities required to meet the requirements of this rule in respect of specific core competencies ***and professional development competencies;***

(b) Rules for determining compliance with the minimum requirements of the Scheme;

(c) Administrative procedures for the purpose of ensuring proper records; (d)

Procedures for the monitoring of compliance with the Scheme.

(5) The approved accountancy body shall be obliged to evaluate any courses for the purpose of CPE accreditation upon the request of a course provider:

Provided that in the event that a course provider feels aggrieved by the conduct of the

approved accountancy body in its accreditation procedures or decisions, he may refer the matter to the Board for any action it may deem fit to take:

Provided further that any courses provided by the University of Malta will be accredited by the University without the need for any further review by the approved accountancy body.

(6) Warrant holders shall furnish to the approved accountancy body all the information required in accordance with the rules of the approved CPE Scheme and the approved accountancy body shall monitor the compliance of all warrant holders therewith.

(7) The information provided by warrant holders in respect of their obligations under sub-rule (6) of this rule shall be true, precise and correct and shall cover the subject-matter requested by the approved accountancy body in a complete manner.

(8) The approved accountancy body shall furnish the Board with any information relating to the administration of the CPE Scheme and to warrant holders registered therein as the Board may deem necessary from time to time. In particular, a record of warrant holders registered under the CPE Scheme must be submitted by the 31st May of each year in respect of the twelve months ending on the 31st December of the previous year, giving details of compliance by each such warrant holder.

(9) For the purpose of sub-rules (6) and (8) of this rule, an approved accountancy body shall provide warrant holders with a period of time within which the warrant holders shall be obliged to provide the necessary information in their respect for the said body to satisfy its obligations on time.

(10) The period of time allowed to warrant holders to provide the information referred to in sub-rules (6) and (9) of this rule shall not amount to less than four (4) calendar weeks and shall not exceed ten (10) calendar weeks. Should any warrant holder not satisfy his obligations within the said time frame, the approved accountancy body shall give notice in this sense to such warrant holder requesting him to satisfy his obligations within a further period of not less than two (2) calendar weeks; if any such warrant holder satisfies his obligations within such further period, he shall not be deemed to be in default of his obligations under this sub-rule and under sub-rule (9) of this rule.

(11) With the permission of the Board, the approved accountancy body administering an approved CPE Scheme may impose an administrative fee on a cost-recovery basis.

(12) Any warrant holder who does not comply with the provisions of this sub-rule shall be liable to the following penalties:

- a. In the case of any breach of the obligations of a warrant holder referred to in sub-rules (7), (9) and (10) of this rule determined by a disciplinary committee appointed by the Board in terms of sub-article (16) of article 7 of the Act (hereinafter referred to as the “Disciplinary Committee”), the particular warrant holder shall be liable to an administrative fine of not less than twenty-five euro (25.00) and not exceeding two thousand and five hundred euro (2,500.00):

Provided that any decision taken by the Disciplinary Committee shall be notified by registered mail to any person to whom such decision applies and shall be subject to appeal in terms of article 15B of the Act:

Provided further that the Disciplinary Committee may determine to remit the

said administrative fine wholly or partly if it is satisfied that such a breach was due to a reasonable excuse, so however that lack of time shall not constitute a reasonable excuse;

- b. In the case of any other breach of the provisions of this Directive, the Disciplinary Committee may impose penalties involving any or all of the following:
  - (i) an admonition and reprimand or a request to take corrective measures, or both such admonition and reprimand and request to take corrective measures;
  - (ii) suspension and the imposition of conditions on the particular person's warrant or the withdrawal of the person's practicing certificate;
  - (iii) recommend to the Minister the withdrawal of the warrant (which for the purposes of this paragraph (iii) excludes the practicing certificate);
  - (iv) an administrative fine of up to two thousand and five hundred euro (2,500.00).