

Ordinance on Certified Public Accountant Examination

(Cabinet Office Ordinance No. 18 of March 25, 2004)

Pursuant to the provisions of Articles 8, 9, 10 and 14 of the Certified Public Accountants Act (Act No. 103 of 1948), a Cabinet Office Ordinance revising the entire Certified Public Accountant Examination Rules (Certified Public Accountants Management Committee Rule No. 3 of 1950) is established as follows.

(Public Notice of Examination Date, etc.)

Article 1 The date and place of the certified public accountant examination and other necessary matters concerning implementation of the certified public accountant examination shall be determined by the Certified Public Accountants and Auditing Oversight Board (hereinafter referred to as the "Board") and publicly notified in the Official Gazette in advance.

(Places Where Examination is Held)

Article 2 The certified public accountant examination shall be held at least once a year in the Metropolis of Tokyo, Osaka Prefecture, Hokkaido, Miyagi Prefecture, Aichi Prefecture, Ishikawa Prefecture, Hiroshima Prefecture, Kagawa Prefecture, Kumamoto Prefecture, Fukuoka Prefecture, Okinawa Prefecture and other places designated by the Board.

(Examination Application Form)

Article 3 (1) A person who intends to take the certified public accountant examination shall submit an examination application form using Form 1 with a scoring table to the chairperson of the Board (hereinafter referred to as the "chairperson") through the director general of the local finance bureau having jurisdiction over the place where the person intends to take the certified public accountant examination (or, if such place is within the jurisdictional district of Fukuoka Local Finance Branch Bureau, the director general of Fukuoka Local Finance Branch Bureau; the same shall apply in the following paragraph).

(2) An examination application form set forth in the preceding paragraph shall be deemed to have been submitted to the chairperson when the director general of the local finance bureau has received it.

(3) The application set forth in Article 9, paragraph (3) of the Certified Public Accountants Act (hereinafter referred to as the "Act") shall be made by attaching a copy of the document set forth in Article 9, paragraph (2) and the

application set forth in Article 10, paragraph (2) of the Act shall be made by attaching a copy of the document set forth in Article 9, paragraph (3), to an examination application form set forth in paragraph (1).

(Fields and Scope of Examination subjects)

Article 4 (1) Fields to be specified by a Cabinet Office Ordinance prescribed in Article 8, paragraph (1), item (i) of the Act shall be the following fields:

(i) Bookkeeping

(ii) Financial statement accounting

(iii) In addition to what is listed in the preceding two items, accounting theories that purport to provide useful information in making financial decisions for an interested person outside a corporation, etc.

(2) Fields to be specified by a Cabinet Office Ordinance prescribed in Article 8, paragraph (1), item (ii) of the Act shall be the following fields:

(i) Cost accounting

(ii) In addition to what is listed in the preceding item, accounting theories that purport to provide useful information in making decisions and managing performance for managers inside a corporation, etc.

(3) Fields to be specified by a Cabinet Office Ordinance prescribed in Article 8, paragraph (1), item (iv) of the Act shall be the following fields:

(i) Companies Act

(ii) Commercial Code (excluding the portion that relates to marine commerce, and negotiable instruments and checks)

(iii) Financial Instruments and Exchange Act (limited to the portion that relates to the disclosure of corporate affairs)

(iv) In addition to what is listed in the preceding three items, laws concerning partnerships and other organizations that are to be audited

(4) Fields to be specified by a Cabinet Office Ordinance prescribed in Article 8, paragraph (2), item (iv) of the Act shall be the following fields:

(i) Corporate Tax Act

(ii) Income Tax Act

(iii) In addition to what is listed in the preceding two items, tax law general, and particulars of consumption tax law, inheritance tax law and other tax laws

(5) The scope of examination subjects listed in each of the following items of the examination subjects listed in each item of Article 8, paragraph (1) or (2) of the Act shall be as prescribed in the respective item:

(i) Auditing: Audit system, various audit standards and other auditing in accordance with the Financial Instruments and Exchange Act (Act No.25 of 1948) and Companies Act (Act No.86 of 2005)

(ii) Business administration: Basic theories of business management and

- financial management
- (iii) Economics: Micro economics, macro economics and other economic theories
- (iv) Statistics: Theories of descriptive statistics and inferential statistics, and basic theories of financial engineering

(Application for Exemption of Examination, etc.)

- Article 5 (1) The application set forth in Article 9, paragraph (1) or (2), or Article 10, paragraph (1) of the Act shall be made by submitting a written application for exemption from certified public accountant examination to the chairperson.
- (2) The written application set forth in the preceding paragraph shall have attached a document certifying that one of the items in Article 9, paragraph (1) or (2), or one of the items in Article 10, paragraph (1) is applicable.
- (3) Where the application set forth in paragraph (1) has been made, if the chairperson has determined that the examination related to the application should or should not be exempted, the chairperson shall notify the applicant to that effect using Form 3 or Form 4.
- (4) The chairperson shall endeavor to provide notice set forth in the preceding paragraph within one month of the receipt of the application set forth in paragraph (1).
- (5) The period set forth in the preceding paragraph shall not include the following periods:
- (i) A period necessary to correct the application
 - (ii) A period necessary for the applicant to change the contents of the application
 - (iii) A period necessary for the applicant to add materials that are found to be necessary for a review related to the application

(Partial Exemption from the Short-Answer Test Subjects Based On a Specific Degree)

- Article 6 (1) The study prescribed in Article 9, paragraph (2), item (ii) of the Act shall be a study on the following subjects:
- (i) Study on the subject that belongs to bookkeeping, financial statements and other financial accounting
 - (ii) Study on the subject that belongs to cost accounting and other management accounting
 - (iii) Study on the subject that belongs to auditing and other general auditing
- (2) A degree to be specified by the Minister of Education, Culture, Sports, Science and Technology prescribed in Article 9, paragraph (2), item (ii) of the Act that is to be specified by a Cabinet Office Ordinance shall be a master's degree (professional degree) prescribed in Article 5-2 of the Ordinance on Degree (Ordinance of the Ministry of Education, Science and Culture No.9 of 1953)

- conferred upon acquiring 10 credits or more for the subjects prescribed in item (i) of the preceding paragraph, 6 credits or more each for the subjects prescribed in items (ii) and (iii) of the same paragraph, and the total of 28 credits or more for the subjects prescribed in each item of the same paragraph.
- (3) The method of credits calculation set forth in the preceding paragraph shall be in accordance with the provisions of Article 21, paragraph (2) of the Standards for Establishment of Universities (Ordinance of the Ministry of Education, Science and Culture No. 28 of 1956).

(Partial Exemption from the Short-Answer Test Subjects Based on Work Experience)

- Article 7 (1) A judicial person to be specified by a Cabinet Office Ordinance prescribed in Article 1-2 of the Order for Enforcement of the Certified Public Accountants Act (Cabinet Order No. 343 of 1952; hereinafter referred to as the "Order for Enforcement") shall be as listed in the following items. In this case, a judicial person prescribed in each of the following items (excluding those listed in items (iii), (iv) and (xii) to (xiv)) shall have been audited by a certified public accountant or an audit corporation in accordance with laws and regulations while the applicant for the exemption was engaging in the affairs or services related to accounting or auditing prescribed in the same Article.
- (i) Listed company, etc. (which means an issuer of securities (excluding those that fall under the tradable securities prescribed in Article 67-18, item (iv) of the Financial Instruments and Exchange Act) listed in each item of Article 27-2 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965))
 - (ii) Large company prescribed in Article 2, item (vi) of the Companies Act
 - (iii) State
 - (iv) Local government
 - (v) Judicial person that is a financial institution prescribed in Article 2, paragraph (1) of the Deposit Insurance Act (Act No. 34 of 1971) and is required to be audited by a certified public accountant or an audit corporation in accordance with laws and regulations
 - (vi) Insurance company prescribed in Article 2, paragraph (2) of the Insurance Business Act (Act No. 105 of 1995)
 - (vii) Norinchukin bank
 - (viii) Incorporated administrative agency that is required to be audited by an accounting auditor pursuant to the provisions of Article 39 of the Act on General Rules of Incorporated Administrative Agency (Act No. 103 of 1999)
 - (ix) Incorporated national university and inter-university research institute corporation
 - (x) Local incorporated administrative agency that is required to be audited by

- an accounting auditor pursuant to the provisions of Article 35 of the Local Incorporated Administrative Agency Act (Act No. 118 of 2003)
- (xi) Judicial person that is a judicial person similar to those set forth in items (i), (ii), and (v) to (x) and is required to be audited by a certified public accountant or an audit corporation in accordance with the provisions of laws and regulations
 - (xii) The Central Union of Agricultural Cooperative Association prescribed in Article 73-15 of the Agricultural Cooperative Association Act (Act No. 132 of 1947)
 - (xiii) The Federation of Fisheries Cooperatives and the Federation of Fish Processors' Cooperatives prescribed in Article 2 of the Fisheries Cooperative Association Act (Act No. 242 of 1948)
 - (xiv) Judicial person that establishes corporate accounting standards, unifies cost accounting, or establishes audit standards, or prepares or improves other corporate accounting systems or audit systems
- (2) Affairs or services related to accounting or audit prescribed in the Order for Enforcement that are to be specified by a Cabinet Office Ordinance shall be as prescribed in each of the following items depending upon the classification of the judicial person prescribed in the respective item:
- (i) Judicial person listed in items (i), (ii) and (v) to (xi) of the preceding paragraph: Affairs related to the preparation of financial documents of said judicial person (excluding mechanical affairs that do not require any special decision-making) or services, and services related to audits concerning internal accounting of said judicial person
 - (ii) State or local governmental agency: Inspection or auditing (limited to cases where they are directly carried out) related to accounting of a judicial person listed in items (i), (ii), and (v) to (xi) of the preceding paragraph, establishment of corporate accounting standards; unification of cost accounting or establishment of audit standards or any other affairs (excluding mechanical affairs that do not require any special decision-making) or services related to the preparation or improvement of corporate accounting systems or audit systems
 - (iii) Judicial person listed in item (xii) of the preceding paragraph: Auditing of an Agricultural Cooperative Association and the Federation of Agricultural Cooperative Associations conducted as an Agricultural Cooperative Association auditor set forth in Article 73-38, paragraph (1) of the Agricultural Cooperative Association Act.
 - (iv) Judicial person listed in item (xiii) of the preceding paragraph: Auditing of a Fisheries Cooperative Association and Fish Processors' Cooperative Association conducted as an officer or employee prescribed in Article 87-2, paragraph (2) of the Fisheries Cooperative Association Act (including the

cases where applied mutatis mutandis pursuant to Article 100, paragraph (1) of the same Act)

(v) Judicial person listed in item (xiv) of the preceding paragraph:

Establishment of corporate accounting standards, unification of cost accounting or establishment of audit standards, or any other affairs related to the preparation or improvement of corporate accounting systems or audit systems (excluding mechanical affairs that do not require any special decision-making) or services.

(Public Notice of Standards for Recognition)

Article 8 The Board shall, when it has established the standards for recognition prescribed in Article 1-3 of the Act for Enforcement, give a public notice through the Official Gazette.

(Public Notice, etc. of Persons Who Passed Examination, etc.)

Article 9 (1) The chairperson shall, in addition to awarding to a person who has passed the certified public accountant examination a certificate certifying that the person has passed said examination pursuant to the provisions of Article 12 of the Act, give a public notice of the name and examination number of such person through the Official Gazette.

(2) The chairperson shall issue to a person who has passed the examination by way of the short-answer test set forth in Article 8, paragraph (1) of the Act a document certifying that the person has passed such examination and give a public notice of the examination number of such person through the Official Gazette.

(3) The chairperson shall issue to a person who has gained scores that are found to be reasonable prescribed in Article 10, paragraph (2) of the Act a document certifying that the person has gained such scores.