

Cabinet Office Ordinance on Continuing Professional Education Prescribed in Article 28 of Certified Public Accountants Act

(Cabinet Office Ordinance No. 17 of March 25, 2004)

Pursuant to the provisions of Article 28 of the Certified Public Accountants Act (Act No. 103 of 1948) (including cases where applied mutatis mutandis pursuant to Article 16-2, paragraph (4) of the same Act) and Article 49-5 of the same Act, the Cabinet Office Ordinance on Continuing Professional Education Prescribed in Article 28 of Certified Public Accountants Act is established as follows:

(Participation in Continuing Professional Education)

- Article 1 (1) A certified public accountant (including a registered foreign certified public accountant prescribed in Article 16-2, paragraph (5) of the Certified Public Accountants Act (hereinafter referred to as the "Act"); the same shall apply hereinafter) shall participate in continuing professional education (which means the continuing professional education prescribed in Article 28 of the Act; the same shall apply hereinafter) offered by the Japan Institute of Certified Public Accountants (hereinafter referred to as the "Institute") to acquire 40 credits or more (hereinafter referred to as the "required number of credits" in Article 3) for each business year (which means a period from April 1 to March 31; the same shall apply hereinafter).
- (2) With regard to the method of calculation of credits set forth in the preceding paragraph, as a rule, one hour of continuing professional education conducted by way of lecture shall constitute one credit, or otherwise the Institute shall specify such method for each method of continuing professional education.

(Exemption from Continuing Professional Education)

- Article 2 (1) A certified public accountant, if that accountant does not or is expected not to engage in services as a certified public accountant throughout any one business year for any of the following reasons, may apply for an exemption from continuing professional education for that business year to the chairperson of the Japan Institute of Certified Public Accountants (hereinafter referred to as the "chairperson"):
- (i) Receiving medical treatment for injury or illness;
 - (ii) Serving as a member of the Diet or as a member of a local council;
 - (iii) Working full-time for the national or a local government;
 - (iv) Working full-time for a body other than an audit corporation, or a juridical person or any other body that Article 5 of the Ordinance for Enforcement of

- the Certified Public Accountant Act (Cabinet Office Ordinance No.81 of 2007) prescribes as one that is substantially controlled by an audit corporation, with the relationship to the audit corporation prescribed in that Article ;
- (v) Being a nonresident prescribed in Article 2, paragraph (1), item (v) of the Income Tax Act (Act No. 33 of 1965);
- (vi) Any reason similar to the preceding items, which are reasonable grounds for not engaging in services as a certified public accountant .
- (2) A certified public accountant, in filing an application pursuant to the provisions of the preceding paragraph, must submit to the chairperson without delay an application for exemption from continuing professional education prepared by using appended Form 1 with a document certifying that one of the reasons listed in the items of the preceding paragraph is applicable.
- (3) The chairperson, having received an application set forth in the preceding paragraph, shall review the application, and having found that the application pursuant to the provisions of paragraph (1) has grounds, , upon obtaining approval from the Commissioner of the Financial Services Agency, this chairperson may exempt the certified public accountant who submitted the application from continuing professional education to which the application relates.
- (4) The chairperson, intending to obtain the approval set forth in the preceding paragraph, shall send necessary documents with opinion of this chairperson about the application pursuant to the provisions of paragraph (1) to the Commissioner of the Financial Services Agency.
- (5) The Commissioner of the Financial Services Agency ,having found that the application pursuant to the provisions of paragraph (1) has grounds, shall grant the approval set forth in paragraph (3).
- (6) In the case where a certified public accountant who submitted an application pursuant to the provisions of paragraph (1) has been exempted from continuing professional education to which the application relates pursuant to the provisions of paragraph (3),this accountant shall not be required to participate in continuing professional education for the relevant business year.

(Reduction of Required Number of Credits for Continuing Professional Education)

- Article 3 (1) A certified public accountant, when a period during which that accountant does not engage in services as a certified public accountant for any of the reasons listed in the items of paragraph (1) of the preceding Article extends or is expected to extend to a significant portion of any one business year, may apply to the chairperson for a reduction of the required number of credits for continuing professional education for the relevant business year.
- (2) A certified public accountant, in filing an application pursuant to the

preceding paragraph, shall submit to the chairperson without delay an application for reduction of continuing professional education prepared by using appended Form 2 with a document certifying that one of the reasons listed in the items of paragraph (1) of the preceding Article is applicable.

- (3) The chairperson, having received of an application set forth in the preceding paragraph, shall review the application, and having found that the application pursuant to paragraph (1) has grounds, upon obtaining approval from the Commissioner of the Financial Services Agency and in accordance with the standards prescribed in the appended table, that chairperson may reduce the required number of credits for continuing professional education to which the application relates for the certified public accountant who submitted the application.
- (4) The chairperson, intending to obtain the approval set forth in the preceding paragraph, shall send necessary documents with opinion of that chairperson about the application pursuant to the provisions of paragraph (1) to the Commissioner of the Financial Services Agency.
- (5) The Commissioner of the Financial Services Agency, having found that the application pursuant to the provisions of paragraph (1) has grounds, shall grant the approval set forth in paragraph (3).
- (6) In the case where a certified public accountant who submitted an application pursuant to the provisions of paragraph (1) has had the required number of credits of continuing professional education to which the application relates reduced pursuant to the provisions of paragraph (3), that accountant shall not be required to participate in the portion of continuing professional education for which credit has been reduced in the relevant business year.

(Collection of Plan of Continuing Professional Education and Report on Status of Implementation of Continuing Professional Education)

Article 4 The Commissioner of the Financial Services Agency, pursuant to the provisions of Article 46-12, paragraph (1) of the Act, shall request the Institute to submit a plan of continuing professional education and report on the status of implementation of continuing professional education for each six-month period of each business year.

Appended table (Related to Article 3, paragraph (3))

Period during which a certified public accountant does not engage in services due to a reason listed in the items of Article 2, paragraph (1)	Number of credits to be reduced
A period one-eighth or longer but less than one-quarter of a business year	5 credits

A period one-quarter or longer but less than three-eighths of a business year	10 credits
A period three-eighths or longer but less than one-half of a business year	15 credits
A period one-half or longer but less than five-eighths of a business year	20 credits
A period five-eighths or longer but less than three-quarters of a business year	25 credits
A period three-quarters or longer but less than seven-eighths of a business year	30 credits
A period seven-eighths or longer of a business year	35 credits