

---

On January 21, 2016, the Professional Regulatory Commission Board of Accountancy issued BOA Resolution 3-2016 dated January 19, 2016 regarding the rules on preparation of Financial Statements (FS) and the requirement for the Certificate of Compilation Services (the "Certificate").

The rules provide, among others, the following:

1. Requirement of the attachment to the annual FS of a Certificate on the compilation services rendered in the preparation of FS and notes to the FS
2. The Certificate shall be prepared only for issuers which/who have gross sales or revenues exceeding ten million pesos (Php10,000,000) for a particular accounting year
3. The preparation of the FS and disclosure notes is a practice of accountancy in commerce and industry and shall be done only by Certified Public Accountants ("CPAs")
4. The reiteration of the rule that CPAs in public practice are prohibited from preparing or assisting in the preparation of FS and disclosure note of their clients which engaged them to render attest services for the same documents
5. The CPAs in public practice who violate this prohibition rule shall be subject to stern sanctions by the Board of Accountancy which includes a fine of Fifty Thousand Pesos (Php50,000) or by imprisonment for a period not exceeding 2 years or both.
6. The CPAs rendering the compilation services for the preparation of the FS and signing the Certificate shall first be accredited with the Professional Regulatory Board of Accountancy after submitting the necessary application and complying with the Continuing Professional Development (CPD) requirements.
7. These CPAs should apply for accreditation not later than February 29, 2016 and comply with the CPD requirements not later than June 30, 2016 after signing an affidavit of undertaking to that effect.
8. The rules shall apply for the FS pertaining to year 2015.