



ACPAPP

# ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS IN PUBLIC PRACTICE

14 March 2017

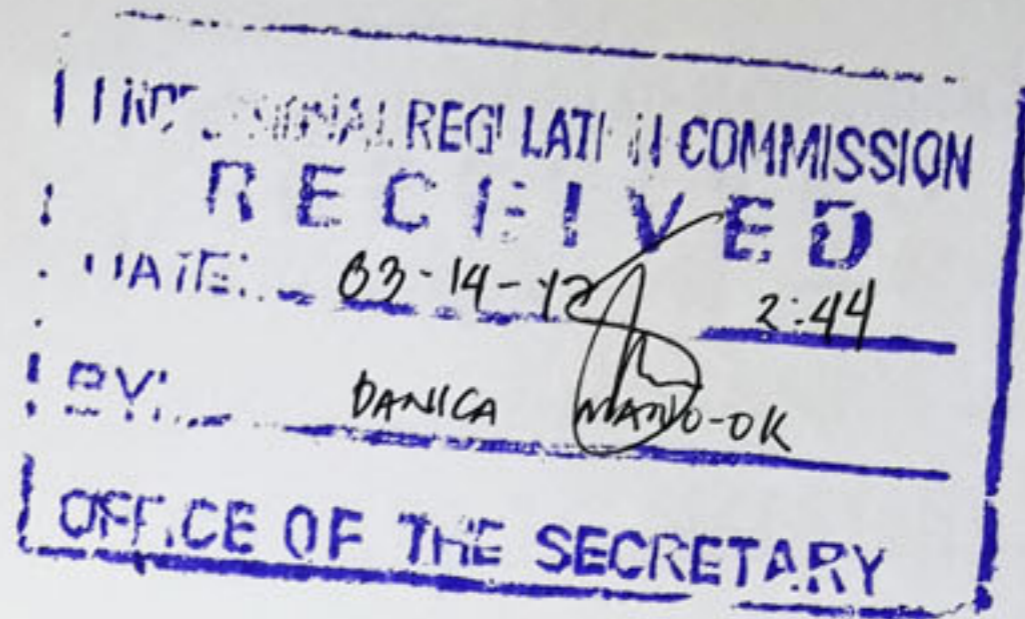
**Mr. Joel L. Tan-Torres**

Chairman

Board of Accountancy (BoA)

P. Paredes corner Morayta Streets

Sampaloc, Manila



**Dear Chairman Tan-Torres,**

In our letter dated 6 March 2017, the ACPAPP had requested the BoA to suspend the implementation of BoA Resolution No. 03-2016. The request was based on the concerns raised by ACPAPP members on the BoA's initial response to Bureau of Internal Revenue (BIR) RMC No. 16-2017 stating that only existing documentary requirements in the filing of Income Tax Returns shall be submitted to the BIR. The existing documentary requirement is for the audited Financial Statements (FS) to be attached to the Income Tax Returns. The Securities and Exchange Commission (SEC) had issued a similar statement that its existing rules on the filing of audited FS as provided by Securities Regulation Code Rule 68 are adequate for the SEC's purposes. Hence, the Certificate of Compilation is not a requirement for both the BIR and the SEC.

On 10 March 2017, the BoA issued an announcement that BoA Resolution No. 3-2016, as amended by BoA Resolution Nos. 68-2016 and 115-2016, will continue to be implemented, but with modifications. However, the announcement still leaves unresolved some questions and concerns raised by various stakeholders. These include the following:

- Who will be responsible for enforcing compliance with the BoA's requirement for Certificates of Compilation?
- What is the BoA's jurisdiction to file legal actions against companies that do not comply?
- What would be the practical use of the certificates if the BIR and the SEC do not require them?

We also noted an article dated 9 March 2017 on the DoF website, which was subsequently reported in the media, reiterating that the BIR RMC no longer requires the Certificate of Compilation which is viewed as unnecessary and redundant. The DOF further stated that the BoA requirement is tedious and costly and not in line with the government's thrust on improving ease of doing business and streamlining bureaucratic requirements.

On behalf of the practitioners in public practice, we would like to repeat our request for the suspension of the implementation of the Resolution. The suspension will allow all concerned stakeholders to engage the BoA in a dialogue to fully understand each one's concerns regarding the Resolution.

Thank you for your consideration.

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**ACPAPP**

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Sincerely,

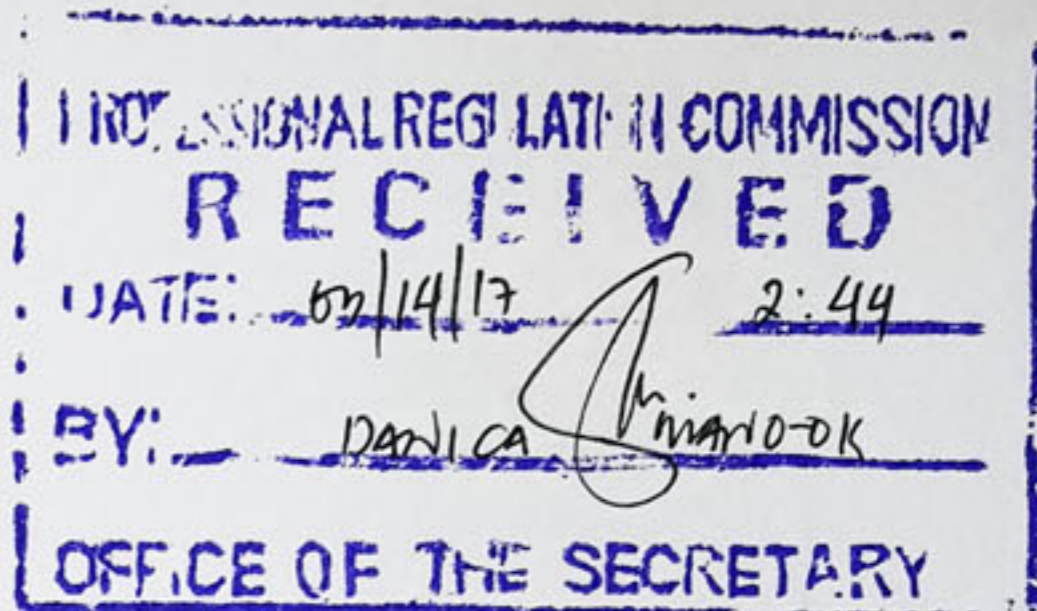
*J. Carlitos G. Cruz*  
**J. Carlitos G. Cruz**  
President

Cc:

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- Gloria T. Baysa, Vice Chair
- Gerard B. Sanvictores, Member
- Samuel B. Padilla, Member
- Arlyn S. Villanueva, Member
- Concordio S. Quisaot, Member
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- Carlos G. Dominguez III, Secretary, Department of Finance
- Teofilo Pilando, Jr., Commissioner, Professional Regulation Commission
- Caesar Dulay, Commissioner, Bureau of Internal Revenue
- Teresita J. Herbosa, Chairperson, Securities and Exchange Commission
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- George T. Barcelon, President, Philippine Chamber of Commerce and Industry
- Marife B. Zamora, President, Management Association of the Philippines
- Benedicta Du-Baladad, President, Financial Executives of the Philippines
- Edgar Chua, Chairman, Makati Business Club



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