



The Institute of  
Chartered Accountants  
of Pakistan

PRESIDENT

September 14, 2009

## **President's Communication 11**

### **Status of implementation of Education Reforms**

During the last one year or so, the Council has taken far reaching decisions to reform our education system. Some of the key objectives of these reforms include 1) reaching out to students of all areas of the country as against the current situation when we are able to get students only from larger cities; 2) attracting high quality students from top institutions of the country by providing appropriate exemptions in respect of courses they have already covered; 3) rationalizing our examination system with a view to improve results; and 4) increasing the number of students passing our exams or in other words, enhancing the number of our members. While some of the decisions taken by the Council have already been implemented, others require changes in relevant byelaws and regulations and become effective as soon as the legal process of amendments to the bye-laws is completed. In the following paragraphs, I have summarized the status of implementation of these reforms for your information:

#### **(i) Full Time Studies**

Under the schemes introduced from 1993 all students joining the profession of accountancy after HSC or equivalent certificate were required to register with the Institute's recognized Registered Accounting Education Tutor (RAET) in order to sit in exams for Modules A to D.

However, in the absence of RAETs in the smaller cities and towns, and in the interest of equal opportunity for all our students, the Council decided to do away with the mandatory condition for such students to register and study with an RAET effective from November 01, 2008.

The Institute continues to encourage students of A to D modules to take classes with RAETS, which is likely to enhance their ability to pass their exams in the earliest possible attempt, but it is no longer mandatory to do so.

#### **(ii) Condition for Establishing RAET**

The requirement that the sponsor and principal of a RAET must be a chartered accountant, may be an obstruction for other reputable education providers with good faculty to organize classes for CA students. Consequently, the Council decided to dispense with this requirement effective November 01, 2008. It is hoped that deletion of this requirement will encourage other Educational Institutions of high repute to initiate classes for CA students as well. This will also help in opening this area to greater competition and leading to better quality education.

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**(iii) Exemptions for Graduate Students**

At present, graduate students have to sit in all exams of Modules A to D. They may claim exemptions only for Quantitative Methods, Functional English and Introduction to Economics and Finance provided they meet the criteria set by the Institute.

This system was turning graduate students away from chartered accountancy. To draw them back to our profession the Council has decided that:

- A graduate student of 'specified institute' will be eligible to claim exemptions for any paper of Modules A to D if he/she has cleared an equivalent paper and meets the criteria set by the Institute.
- A graduate student will be eligible to appear in any paper of Modules A to D, where he/she is not exempted, while carrying on his/her graduate studies.

The amendments in Byelaw in this regard are in their final stage of approval.

**(iv) Training Period**

In the past, students had to undergo varied lengths of training depending on the stream they chose and the base qualification they had prior to entering the profession. To bring uniformity in training period, the Council decided that starting November 01, 2008 all students would have to undergo training period of three years provided they can pass the entire Module E and F examination in their first attempt. For students who are not able to pass all exams in the first attempt (in other words if a student fails in any subject in any of the exams) their training period is extended to 3.5 years.

**(v) Service Break for Female Trainee Students**

Some of our female students were forced to quit the profession due to non-flexibility in temporary service break for marriage or maternity. The Council has decided to allow female trainee students a service break for a period of up to one year, so that they are not forced to leave the profession in such situations.

**(vi) Permanent Credit for papers passed irrespective of marks obtained in other papers**

Currently students of Modules A to F can retain permanent credit in paper(s) they have passed, if they obtain certain minimum marks (referral marks) in other papers of the same module as well. In other words, if a Student has passed a paper securing over 70% marks, but he fails in another paper of the same module securing very poor marks (say less than 20% marks), he is not entitled to get credit even in the subject he has passed. The Council has now decided that the students will be eligible to claim permanent credit in any passed paper(s) irrespective of the marks obtained in other papers of the same module. Permanent credit will also be available to a students even if he/she appears in one or more papers but is absent in other papers for any reason. This decision and the decision mentioned in (vii) below, will become effective from date relevant bye-laws are approved, and I expect this to happen in the next few days.



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**(vii) Attempt and Period Limit on Examinations**

While the Council has allowed permanent credits in the papers passed irrespective of marks obtained in other papers, it has been decided to put some limitation on the number of attempts a student can appear in the exams. The following limitations will apply to number of attempts:

- Student appearing in Modules A to D will be allowed six attempts for each module.
- Students will be required to pass Modules E and F within ten years of their eligibility to appear in Module E.

The above limitations will be prospectively applied, that is, from the date of first attempt after application of this rule, and number of attempts or period already lapsed prior to the date of application of rule will not be counted.

This decision will also become effective simultaneously with the decision pertaining to permanent credits mentioned in paragraph (vi) above after the amendments in the byelaws have been approved and the same have been notified in the official gazette, which we expect to happen in the next few days.

**(viii) Training Outside Practice**

Currently students are allowed to train only with a firm of chartered accountants that has been designated as Training Organization (TO) by ICAP. Now the Council has decided that specified organizations other than CA firms will be approved by the Institute as Training Organizations. This step would align our policy with the worldwide practice of student training.

However, as several members had expressed concern on the implementation of this decision and the relevant by-laws, the council decided to hold further deliberations with the members through round table conferences, and consequently, the implementation of this decision has been deferred.

Best Regards,

**Asad Ali Shah**