

Statement on Continuing Professional Education 2023*

(*The statement was originally issued in January, 2003 updated from time to time)

The Institute of Chartered Accountants of India (ICAI), set up under the Chartered Accountants Act, 1949 (the Act), has always aimed for excellence in the standard of professional services rendered by its members. The ICAI is entrusted with the responsibility of regulating the accountancy profession in the country and confers the exclusive right to use the designation "Chartered Accountant".

With a view to enabling its members to maintain the requisite professional competence and thus ensure high quality and standards in the professional services that they render, the ICAI has identified Continuing Professional Education (CPE) as a major area of focus for the members. Thus, the ICAI has been providing continued inputs to its members through seminars, lectures, workshops, technical literature, e-learning, web-based training etc. In exercise of the powers conferred by the section 15(2) (fa) of the Chartered Accountants Act 1949 as amended by the Chartered Accountants (Amendment) Act, 2022 (No. 12 of 22), the Council of the ICAI hereby issues following guidelines on Continuing Professional Education for undergoing CPE activities by the members and the mechanism to implement the same by Programme Organising Units(POUs).

1. Short Title and commencement

1.1 These guidelines may be called Statement on Continuing Professional Education, 2023

1.2 They shall come into force w.e.f. 30.01.2024

2.0 Definitions:

The following terms are used in this Statement with the meanings specified:

2.1 **Continuing Professional Education (CPE):** An integral part of member's continuous learning required to maintain the highest standards of excellence in their professional activities by inculcating wide range of knowledge, skills and abilities.

2.2 **Continuing Professional Education Directorate (CPED):** A Directorate of the ICAI set up for overseeing the academic, technical and administrative functions of the CPE programmes and includes the Secretariat of the CPED.

2.3 **Continuing Professional Education Committee (CPEC):** A non-standing committee of the Council of the ICAI entrusted with the task of setting strategic directions and overseeing CPE activities of POU's, members, etc under the directions of the Council.

2.4 **CPE credit hours:** The Credit hours granted to a member for participating in any CPE learning activity by way of Structured or Unstructured Learning.

2.5 CPE Programme Organising Unit (POU): POUs are responsible for organising CPE programmes or CPE learning activities and include the Council; Committee(s) of the Council; Regional Councils; Branches; ICAI Accounting Research Foundation and XBRL India as constituted under and in terms of the relevant notifications of the Council; and shall also include entities such as CPE Study Chapters, CPE Study Circles, CPE Study Groups or any other unit which may be recognized by Council from time to time for conduct of CPE learning activities and grant of CPE hours credit to members.

2.6 CPE Learning Activity: An educational endeavour that maintains and adds value to the professional competence of members and develops the professional knowledge, skills, ethics and attitudes of the members, relevant to their professional responsibilities. Such Learning activities which are eligible for CPE hours credit, are divided into structured and unstructured learning activities.

2.7 CPE Advisory: The directions and other guidelines issued by the Continuing Professional Education Committee from time to time to enable members, programme organisers as well as all other persons connected with Continuing Professional Education (CPE) activities, as defined in the Statement on CPE, to carry out their activities.

2.8 Structured Learning: Any CPE learning activity as specified in the Advisory on Structured CPE Learning Activities.

2.9 Unstructured Learning: Any CPE Learning activity as specified in the Advisory on Unstructured CPE Learning Activities.

Words and expressions used in this Statement and not included in the above list of terms shall have the meanings as assigned in the Chartered Accountants Act, 1949 and Regulations framed thereunder or Notifications/Guidelines issued by the Council of the Institute of Chartered Accountants of India from time to time, as the case may be.

3.0 Authority of this Statement

3.1 The Chartered Accountants Act, 1949 has delegated to the Council of the ICAI the responsibility of discharging various functions as specified in the Act.

3.2 Section 15 of the Chartered Accountant's Act, 1949 imposes duty on the Council of the ICAI *inter alia* for the regulation and maintenance of the status and standard of professional qualifications of the members of the Institute.

3.3 CPE is an integral part of the Council activities to ensure meaningful implementation of Section 15 of the Act. Section 15 of the Act *inter alia* provides that "the duty of carrying out the provisions of this Act shall be vested in the Council". Accordingly, with a view to regulate the profession of Chartered Accountants and in terms of the powers vested, the Statement on Continuing Professional Education, 2003 was issued and amended from time to time by the Council of the ICAI.

3.4 Compliance with the provisions of this Statement is mandatory for the members of the Institute of Chartered Accountants of India.

3.5 All matters in relation to the implementation of this Statement in letter and spirit are hereby specified to be the responsibility of the Continuing Professional Education Committee.

3.6 The Committee may carry out its activities in such manner(s) as it may deem appropriate within the bounds of its authority as prescribed and as directed by the Council and the CPE Committee.

4.0 Power to modify this Statement

4.1 The requirements of CPE hours and/or any other requirement or conditions as included in this Statement may be revised and notified to the members from time to time at the discretion of the Council. The requirement of CPE hours as prescribed by the Council are given in **Appendix A** to this Statement.

5.0 Applicability and the CPE Credit Hours Requirements

5.1 The requirement of CPE credit hours by members are divided in various categories and need to be met as prescribed [refer to **Appendix A**].

5.2 All members of the Institute are required to meet the CPE credit hours requirement(s) as specified by the Council from time to time subject to following exemption.

- (a) A member is exempted to meet the CPE credit hours requirement only for the calendar year in which he gets his membership for the first time.
- (b) The following class of members are exempted from CPE credit hours requirement:
 - i. All the members (aged 60 years and above) who are not holding Certificate of Practice.
 - ii. Judges of Supreme Court, High Court, District Courts and Tribunal
 - iii. Members of Parliament/MLAs/MLCs
 - iv. Governors of States
 - v. Centre and State Civil Services
 - vi. Entrepreneurs (owners of Business (manufacturing) organizations other than professional services)
 - vii. Judicial officers
 - viii. Female members for one Calendar year on the grounds of pregnancy.
 - ix. Physically disabled members on case to case basis having permanent disability of not less than 40% and above (Supported with medical certificates from any doctor registered with Indian Medical Council with relevant specialisation as evidenced by Post Qualifications (M.D., M.S. etc.).
 - x. Members suffering from prolonged critical diseases/illnesses or other disability as may be specified or approved by the CPEC. (Supported with medical certificates from any doctor registered with Indian Medical Council with relevant specialisation as evidenced by Post Qualifications (M.D., M.S. etc.).

xi. Members in Military Service.

Member seeking exemption [category b(ii) to b(xi)] has to submit a declaration confirming that during the period for which exemption is sought/applied there was no attestation function performed by him/her. The said declaration provided by the Member can be verified from UDIN Portal of ICAI.

- (c) A member or class of members to whom the CPEC may in their absolute discretion grant full/partial exemption specifically or generally on account of facts and circumstances of the case which in their opinion prevent such person(s) from compliance with the requirements of CPE as specified in the Statement.

6.0 Eligible CPE Credit hours for members

6.1 The CPE Credit hours are granted equal to the actual time devoted and/or deemed to be devoted by the members in undertaking CPE learning activities (subject to a minimum of two hours under structured learning and one hour under unstructured learning).

6.2 An indicative list of eligible structured and unstructured learning activities is given in the CPE Advisory on Structured Learning Activities and CPE Advisory on Unstructured Learning Activities, respectively.

7.0 Action against non-complying members/ (Failure to comply with the CPE requirement)

7.1 Consequential provisions, as decided by the Council for non-compliance with CPE hours requirement on yearly basis from calendar year 2024 onwards (**Refer Appendix B**)¹.

7.2 The Council may, however, take any other action in accordance with the provisions of the Chartered Accountants Act 1949/Chartered Accountants (Amendment) Act, 2022 and The Chartered Accountants Regulations, 1988 and modifications made thereunder from time to time.

8.0 Maintenance of records

8.1 Every POU shall prepare a detailed record of attendance of members at every programme and shall take prescribed steps to upload the master database which shall be maintained by the CPEC.

8.2 Every member is required to maintain a record of compliance with the requirements of CPE credit on an annual basis. Such records shall be subject to verification in the manner as may be prescribed by the CPEC from time to time and the member may be required to produce such records before the Institute.

8.3 Members obliged to undertake CPE credit are required to confirm annually at the time of paying their annual membership fees about the correctness of CPE credit earned by them as shown in the entry on record. In case members claim that CPE credit earned by them as shown in the entry on record is not correct, they may have to submit documents in support of their claim, to the Institute.

9.0 Powers and Functions of the CPEC

The powers and functions of CPEC include the following:

9.1 To design and promulgate annually 'The CPE Calendar' prescribing the topics for the CPE learning activities to all POUs for that particular calendar year.

9.2 To prescribe the eligibility of structured and unstructured learning activities for CPE credit hours (physical and virtual mode) and to make appropriate modifications in the indicative list of eligible structured and unstructured learning activities as given in the CPE Advisory on Structured CPE Learning Activities and Unstructured CPE Learning Activities respectively.

9.3 To approve the grant of CPE credit hours to eligible programmes and such other learning activities as may be decided upon by the Committee.

9.4 To approve the formation/recognition of CPE Study Chapters/Study Circles/ CPE Study Groups.

9.5 To provide guidance to the CPE Study Chapters/CPE Study Circles/Study Groups in their formation or any other administrative problems.

9.6 To review and monitor the programmes conducted by various POUs [refer para 13 of this statement]

9.7 To allocate and assign responsibilities to various persons and/ or organisations, as the case may be, for the development of CPE background material.

9.8 To provide CPE Credit to members for participation at Conferences/Seminars and other educational programmes organized by any international professional accountancy bodies (registered with IFAC as full members as defined in CPE guidelines) and foreign Institutions signed MRA/MOU with ICAI

9.9 To refer to the Council, the cases of non-compliance with the Statement.

9.10 To undertake such activities as in its opinion, are conducive to the development of learning programmes, enhancement of quality and frequency of learning activities, increasing the opportunities for members to avail of CPE learning programmes, and such other actions which may be considered relevant or supportive to any or all of these.

9.11 In order to remove any difficulties in the interpretation or application of the provisions of these guidelines, relaxation in the requirements of applicability of the Statement, for the purposes of implementation of these guidelines and matters incidental thereto, and for the smooth execution of the CPE objectives the CPE after the due approval from the Council of the Institute may issue clarifications through guidance notes or circulars.

9.12 To grant exemptions to members in terms of the Statement.

9.13 To take such other steps to carry out the mission and objective of the CPE Committee and such other tasks as may be delegated to the Committee. (Refer **Appendix C**)

9.14 To take action against CPE Study Circles / CPE Chapters/ CPE Study Groups who in the opinion of the CPEC do not facilitate in achieving the objectives of this Statement. Such action may include suspension of the status of POU.

9.15 To recommend to the Council to take action against POUs, other than those as mentioned in paragraph 10.14 above, who in the opinion of the CPEC do not facilitate in achieving the objectives of this Statement. Such action may include derecognition of POU.

9.16 To recommend to the Council any modification in the Statement.

9.17 To issue Directions, Advisories and other guidelines from time to time to enable programme designers and organisers as well as all other persons connected with CPE activities at various POU levels, to discharge their responsibilities and, thus, achieve the objectives of this Statement.

9.18 To issue new Advisories and also amend the existing advisories. The list of existing advisories is as follows:

- i. Structured CPE Learning Activities
- ii. Unstructured CPE Learning Activities
- iii. Programme Development
- iv. Use of Learning Technologies
- v. Monitors and Supervisors
- vi. CPE Documentation
- vii. Management of Programme Costs
- viii. Development of Background Material
- ix. CPE support to Members in Mofussil Areas and remote places.

10.0 Role of the CPE Committee

10.1 To assist the CPEC in discharging its responsibilities.

10.2 To create, assist in the development of, administer and monitor such mechanisms as may be required for the purposes of Continuing Professional Education for members in terms of this Statement and as may be entrusted to it by the CPEC from time to time.

11.0 Functions of the POUs

11.1 To organise CPE Structured Learning Activities on the topics as prescribed in the CPE Calendar.

11.2 To seek prior approval from CPEC for holding the programmes on topics which are not covered under the CPE Calendar

11.3 To upload the details of the programme to be organised by them on the CPE Portal in advance at least 3 days prior to holding the programme for grant of approval of CPE hours.

11.4 To maintain records of the programmes organised by them, in the manner as stipulated by CPEC from time to time.

11.5 POUs shall upload the attendance on the CPE Portal within 72 hours of organising the programme.

11.6 To follow the directions, guidelines and Advisories issued by the Council and by the CPEC from time to time.

12.0 Review and Monitoring of POUs

12.1 The CPEC shall review and monitor the programmes conducted by various POUs. It shall review and examine the quality of the programmes and attainment of learning objectives by selecting POUs through random selection as decided by the CPEC.

12.2 In order to conduct such reviews, the CPEC shall set up a mechanism and also issue such guidelines as may be necessary, in its opinion which inter alia includes monitoring through CPE Regional Monitoring Committees (RMCs) constituted by CPE Committee from time to time.

(Applicability and the CPE Credit Hours Requirements (Refer Para 5.1 of this Statement))

**CPE HOURS REQUIREMENTS FOR EACH CALENDAR YEAR
APPLICABLE FROM 1-1-2023 ONWARDS**

1. All the members (aged less than 60 years) who are holding Certificate of Practice (except all those members who are residing abroad) are required to:

- a. Complete at least 40 CPE credit hours in each Calendar Year.
- b. Complete minimum 20 CPE credit hours of structured learning during the calendaryear.
- c. Balance 20 CPE credit hours can be completed either through Structured or Unstructured learning (as per Member's choice).

2. All the members (aged less than 60 years) who are not holding Certificate of Practice; and all the members who are residing abroad (whether holding Certificate of Practice or not) are required to:

- a. Complete at least 20 CPE credit hours of either structured or unstructured learning(as per Member's choice) during the calendar year.

3. All the members (aged 60 years & above) who are holding Certificate of Practice, are required to:

- a. Complete at least 30 CPE credit hours of either structured or unstructured learning(as per member's choice) during the calendar year.

4. The following class of members are exempted from CPE credit hours requirement:

A. A member is exempted only for the particular Calendar year during which he gets membership for the first time.

B. Other Exemptions to members:

- i. All the members (aged 60 years and above) who are not holding Certificate

of Practice.

- ii. Judges of Supreme Court, High Court, District Courts and Tribunal
- iii. Members of Parliament/MLAs/MLCs
- iv. Governors of States
- v. Centre and State Civil Services
- vi. Entrepreneurs (owners of Business (manufacturing) organizations other than professional services)
- vii. Judicial officers
- viii. Members in Military Service

C. Temporary Exemptions:

- i. Female members for one Calendar year on the grounds of pregnancy.
- ii. Physically disabled members on case to case basis having permanent disability of not less than 40% and above (Supported with medical certificates from any doctor registered with Indian Medical Council with relevant specialisation as evidenced by Post Qualifications (M.D., M.S. etc.).
- iii. Members suffering from prolonged critical diseases/illnesses or other disability as may be specified or approved by the CPED. (Supported with medical certificates from any doctor registered with Indian Medical Council with relevant specialisation as evidenced by Post Qualifications (M.D., M.S. etc.).

Note:-

1. The Council has decided to have mandatory (*may read as Recommendatory from Calendar Year 2024 onwards*²) 2 Structured CPE Hours each on topics of "Standards on Auditing" and "Code of Ethics" (total 4 Structured CPE Hours) during every Calendar year through DLH/Physical mode (applicable from Calendar Year 2020 onwards) for the Categories of members who are required to complete minimum 20 Structured CPE Hours in a Calendar year (COP Holder). This may be completed any time during the year through DLH/Physical mode.
2. Out of 20 Structured CPE Hours which is mandatory to be completed by Members below 60 years and holding COP, in each Calendar year starting from 2023 (including mandatory which may read *Recommendatory from Calendar Year 2024 onwards*² CPE hours on "Code of ethics" and "Standard on auditing"), 4 Structured CPE Hours can be completed in virtual mode through Digital Learning Hub till any further modification. For Calendar Year 2023, the members who have already earned 4 or less Structured CPE hours in online mode (through VCM/DLH) till 31.03.2023 will get credit on actual basis.

Appendix 'B'

(Refer Para 7.1 of this Statement)

Consequential provisions for non-compliance with CPE hours requirement on yearly basis from calendar year 2024 onwards

(to be operational w.e.f. 1/1/2025 for non-compliances arising from the calendar year 2024)

Level I (from 1st Jan to 30th June)

1. Member who fails to complete the CPE requirement by the end of the calendar year shall be given extended Period of 6 months i.e. till June 30 of the following year to make up for the shortfall, provided the member(s) shall make up for any shortfall in their CPE credit hours by obtaining **twice the shortfall of CPE hours**. This would be in addition to the regular CPE hours requirement for the current calendar year. Member(s) shall be notified of the shortfall of CPE hours through e-mail.

Level II (from 1st July to 31st Dec)

2. Names of Member(s) who fail to make up for the shortfall on expiry of **the extended Period** as aforesaid in paragraph 1, shall be classified to **non-compliance status** on July 1 and **the details of non-compliance status shall be displayed in CPE Portal of the ICAI** under particular Member's login till the Member is fully compliant. The member(s) shall make up for the shortfall for the calendar year by obtaining **twice** the shortfall of CPE hours for the relevant year in which the shortfall has occurred.

Level III (from 1st Jan to 30th June of Next year)

3. If the member continues to be non-compliant for the period given at **Level-II above**, the CPE Committee may resort to the following measures on 1st January of the following calendar year:

In case of member(s) holding Certificate of Practice (COP)- The Member is required to disclose the status of non-compliance of CPE hrs requirement in Multipurpose Empanelment Form (MEF) of ICAI. List of non-compliant members shall also be provided to Professional Development Committee of the ICAI by CPE Committee of ICAI.

Member(s) shall be given 6 months' time (i.e. from 1st January till 30th June) at this level to complete the shortfall in their CPE hour credit by completing twice the shortfall to get fully compliant status for the respective year.

Level IV: (from 1st July to 31st Dec of Next year)

4. If the non-compliance by the Member continues even after the Level III stage as above, i.e., 1.5 years of extended period for compliance) then following consequences would follow.

If the Member is in Practice (i.e. Holding COP) - If the individual or the firm is otherwise eligible for the issuance of Peer Review Certificate, only Provisional Peer Review Certificate would be issued to such individual or the Firm in case if the individual or any partner of the Firm (as the case may be) has not complied with the requirement of these guidelines. **Final** Peer Review Certificate shall be issued to the individual or the firm only after compliance of CPE hrs requirement as per these guidelines by the individual or all the partners of the firm (as the case may be).

The member(s) shall be given additional 6 months' time (i.e. from 1st July till 31st December) at this level to complete the shortfall by completing twice the shortfall in their CPE hour credit to be eligible to get fully compliant status for the respective year and for issuance of Final Peer Review Certificate. The member shall be informed in advance that if the default still continues then, such non-compliance would be liable to be referred to Disciplinary Directorate for necessary action in accordance with provision of CA Act, 1949.

Issuance of Good Standing Certificate to member shall be deferred at all levels until the member complies with the requirement under these CPE guidelines.

If the non-compliance continues even after the aforesaid multiple opportunities, the CPE Committee may refer the matter³ to Disciplinary Directorate for action as deemed fit for the violation of these guidelines.

Power to relax:

The Council may relax any of the requirements of these guidelines either generally or by issuing specific instructions on case to case basis for reasons to be recorded in writing.

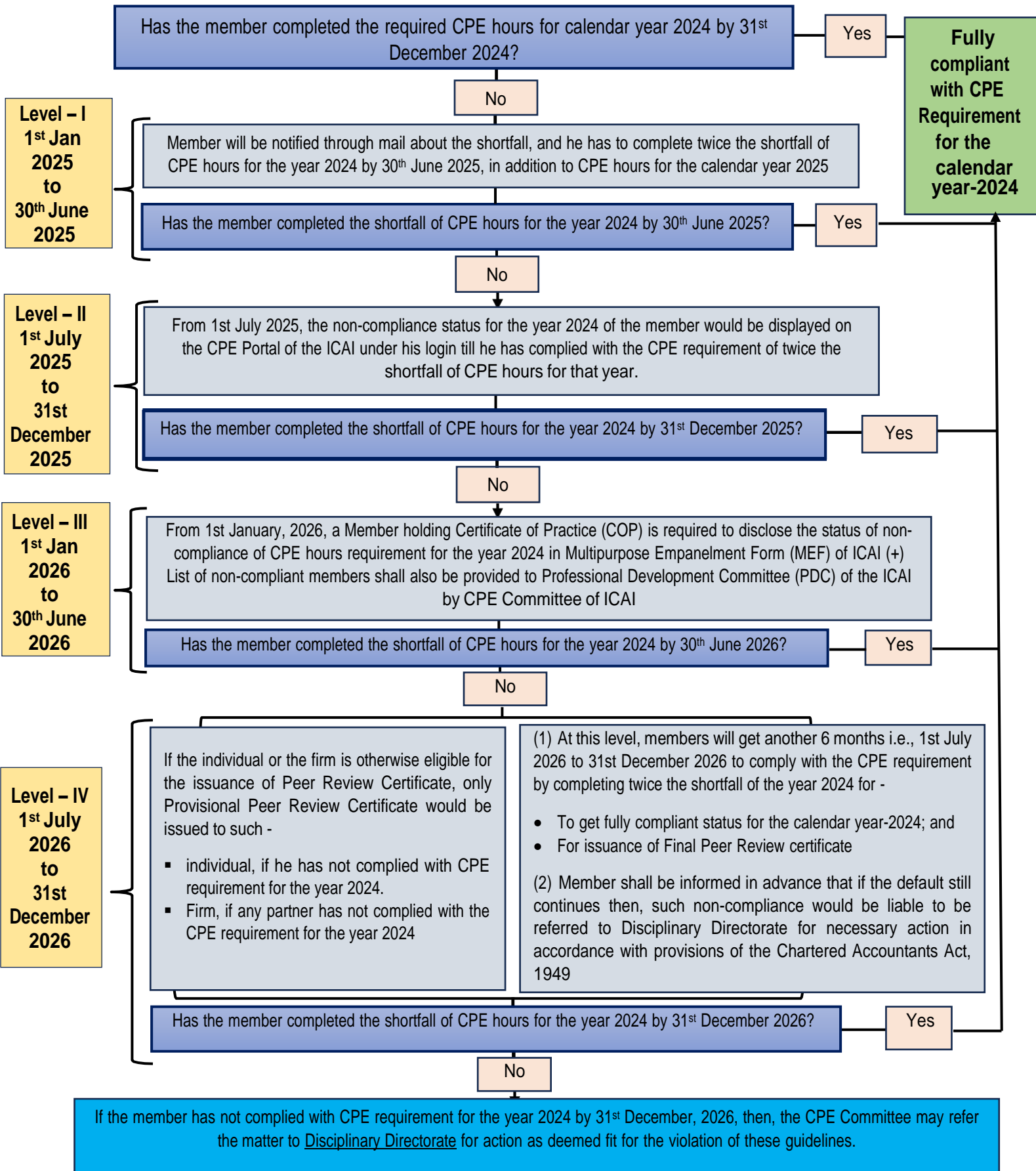
Note:

- Consequential provisions shall apply to non-complying members who have not complied/failed to complete CPE hours requirements as applicable **w.e.f. 1st Jan 2024 and onwards** i.e. members who are non-complied for the year 2023 and earlier are not proposed to be covered with these provisions.
- Level wise Consequential provisions apply to the non-compliance of CPE hours requirement by a member on yearly basis only i.e. these provisions do not apply for non-compliance of (2+2) recommendatory CPE hours of Code of Ethics and Standards on Auditing.
- If a member is obtaining CPE hour Credits (ULA/SLA) in next year after being non-complied in preceding year(s), then such CPE hour credit (ULA/SLA) would be first adjusted against shortfall in previous non-complied year(s) and after such adjustment the remaining CPE hrs, if any, would be credited in current year.
- Currently, out of 20 Structured CPE Hours which is required to be completed by COP holder (less than 60 years of Age), completion of 4 CPE hrs is allowed in online mode in a year. If in case, member has acquired 4 or less Structured CPE Hours in online mode in a Calendar year, in next year non-complied balance Structured CPE hours of any category (whether in physical/virtual) is to be completed via Structured CPE hours events being organised in physical mode/certificate courses during the grace period provided in subsequent years.

- Date of submission of ULA (Unstructured Learning Activity) is preponed from 31st May of next year to 31st December of current year.
- If CPE Compliance criteria differs in relevant year of non-compliance and in extended period i.e. change of member status (COP/Non-COP)/ compliance requirement changed due to attainment of certain age/ Address change /given by the Council then it is to clarify that member need to complete twice of shortfall as per applicability of CPE Compliances in that year of Non-compliance through ULA (Unstructured Learning Activity). This is not applicable in case of permanent exemption provided in grace period.
- There shall be no carry forwarding of excess CPE Hours.
- Relaxations/Exemptions (permanent/temporary) to members in cases like critical illness/physical disabilities/ pregnancy etc. shall continue with these proposed provisions.
- For Temporary exemption, extended period would start on 1st January of next year in which temporary exemption was granted.
- After Level 2, flagging would be done in CPE/Peer Review /SSP portal to Non complied members.
- A provision has been created in CPE portal, to facilitate a monthly mail to all members of ICAI with compliance data of respective member. This Compliance data would also be visible to the member in their Dashboard at CPE Portal.

CONSEQUENTIAL PROVISIONS FOR NON-COMPLIANCE WITH CPE HOURS REQUIREMENT ON YEARLY BASIS" FROM CALENDAR YEAR 2024 ONWARDS

Illustration for Calendar Year-2024



Notes:

- Members will get 6 calendar months' time at each four levels to complete the shortfall in their CPE hour credit by completing twice the shortfall to get fully compliant status for the respective year.
- Issuance of Good Standing Certificate to member shall be deferred at all levels until the member complies with the CPE hours requirement as applicable and gets fully compliant status for the respective past year(s)
- Base year/start year for applicability/illustration of consequential provision for non-compliance of CPE hours is calendar year 2024. For non-compliance of CPE hrs requirement from calendar year 2025 onwards, similar consequential provisions would be applicable.
- The flow chart above shows the consequences for non-compliance of CPE requirement for 2024 alone.

Appendix 'C'
(refer paragraph 9.13 of this Statement)

Terms of reference of the CPE Committee

- (i) To adopt, execute and implement such measures – using tools of learning, physical and virtual, as may provide sufficient opportunity to all Members of the Institute to (a) keep abreast of all current knowledge in their core areas of competence, (b) familiarize themselves with new and emergent subject areas related to Professional Development and (c) becoming aware of developments in related fields, (d) obtain Virtual CPE Hours for Structured and Unstructured CPE requirements.
- (ii) To visualize the future needs and prospects of the society and gear up the profession to cater to those needs.
- (iii) To help members to meet the evolving expectations of the society as far as the technical and professional skills are concerned.
- (iv) To monitor, supervise and establish a systematic process to ensure that the member shall meet the requirements of the CPE Statement.
- (v) To conduct courses, seminars and conferences etc. solely/jointly with other CPE POU's on subjects of relevance to the profession.
- (vi) To render such financial and other help to various branches and regions for upgrading learning technology, as may be considered appropriate and within the powers of the Committee.
- (vii) To monitor, supervise and oversee the functioning of various POU's and their Compliance with Directions of the CPE Committee/Council related to CPE and E-Learning Matter.
- (viii) To provide CPE Credit to members for CPE learning including Physical, E-Learning and Virtual Mode.
- (ix) To provide CPE Credit to members for participation at Conferences/Seminars and other educational programmes organized by any international professional accountancy bodies (registered with IFAC as full members as defined in CPE guidelines) and foreign Institutions signed MRA/MOU with ICAI.
- (x) To take decision to implement mandatory CPE hours, in physical & virtual mode, on relevant topics for members in a Calendar year/Block period on need basis.
- (xi) To direct CPE POU's to organise mandatory CPE programmes/sessions on emerging professional topics on need basis to create awareness amongst members of Institute.
- (xii) To take such policy decisions and administrative measures for implementing the clauses above as may be considered appropriate by the CPE Committee.

¹ As Decided in 426th Meeting of the Council.

²As decided in 327th Meeting of the CPE Committee.

³To clarify, the "matter" refers to details of such non-complying members who are COP holders and covered under Point 1 of Appendix A.