**RULES OF PROCEDURE**

**for the Organization and Conducting of Certified Public Accountant Examinations**

This document has been developed by the Institute of Certified Public Accountants (ICPA) pursuant to Art. 36, paragraph 1(6) of the Independent Financial Audit Act (IFAA) and adopted by the Commission for Public Oversight of Statutory Auditors (CPOSA) on the grounds of Art. 71, paragraph 3(4) of this Act.

The main purpose of the examinations shall be to test whether candidates possess the required theoretical knowledge and practical skills to qualify as certified public accountants.

The Rules of Procedure for the Organization and Conducting of Certified Public Accountant Examinations shall regulate the organization and conducting of written examinations for awarding a Certified Public Accountant diploma ensuring that these examinations are reliable, unbiased and transparent.

Chapter One

GENERAL PROVISIONS

**Art. 1.** These Rules of Procedure, hereinafter referred to as the Rules, shall set out the procedure and the conditions for applying for, preparation and conducting of the Certified Public Accountant examinations.

**Art. 2.** The purpose of these Rules shall be to ensure:

1. the awarding of a Certified Public Accountant diploma only to individuals meeting the requirements of IFAA;
2. the objective testing of candidates’ professional knowledge and skills through written examinations;
3. the application of unified principles for the assessment of validity, reliability, impartiality and sufficiency;
4. the transparency of the examination procedure;
5. the establishment of good practices in the conducting and managing of the examination process.

Chapter Two

CERTIFIED PUBLIC ACCOUNTANT EXAMINATIONS

**Art. 3**. (1) The Certified Public Accountant examinations as provided for in Art. 15 of IFAA shall comprise:

1. accountancy, including the International Accounting Standards;
2. commercial law;
3. tax and social security law;
4. independent financial audit, including the International Standards on Auditing, the Code of Ethics for Professional Accountants, the Independent Financial Audit Act.

Chapter Three

TERMS AND CONDITIONS FOR APPLICATION

**Art. 4.** Only a person of good repute having a higher education degree and professional experience as per the requirements of Art. 13, paragraphs 2 and 3 of IFAA, may be a Certified Public Accountant candidate.

**Art. 5.** (1) To start the procedure for sitting the Certified Public Accountant examinations, candidates shall submit an application, accompanied by a notarized copy of a university degree diploma, together with the transcript thereto.

(2) Candidates shall specify in the application the year in which they wish to start sitting the examinations. The applications shall be entered into a specific register set up with ICPA for this purpose.

Section I

Requirements for being admitted to sit the Certified Public Accountant examinations and professional experience

**Art. 6.** (1) To acquire the right to sit the examinations referred to in Art. 15, paragraph 1 of IFAA, a candidate must have successfully passed university examinations in the areas specified in Art. 14, paragraph 1 of IFAA.

(2) A university degree diploma together with the transcript thereto, or a certificate issued by the National Centre for Information and Documentation with the Ministry of Education and Science for the recognition of a foreign university diploma, shall constitute a proof of having successfully passed the examinations in the areas specified in Art. 14, paragraph 1 of IFAA.

(3) Where the subjects included in the transcript to the diploma are similar in title and content with the areas indicated in Art. 14, paragraph 1 of IFAA, these shall be deemed as equivalent. Equivalence shall be recognized in accordance with criteria, established in advance, for correlation between the examinations referred to in Art. 14, paragraph 1 of IFAA and the subjects taught at the universities in accordance with Annex No 1 to these Rules.

(4) A study course, taken by a candidate at an Institute for Postgraduate Studies with a university, which is not a part of bachelor or master’s degree shall not be considered as proper grounds for compliance with the requirements of Art. 14, paragraph 1 of IFAA.

(5) Compliance shall be assessed in accordance with the criteria set out in Annex No 1. The outcome of the assessment for compliance of candidates’ higher education degree diplomas with the requirements of Art. 14 paragraph 1 of IFAA shall be made public on ICPA’s website ([www.ides.bg](http://www.ides.bg/)), specifying also the need for taking additional examinations and/or examinations for recognition of equivalence, as provided for in these Rules.

(6) A candidate who has not passed an examination in any of the areas referred to in Art. 14, paragraph 1 of IFAA, shall take this examination at ICPA before tenure professors in the relevant subject, after having filed, within a time limit announced for each calendar year on ICPA’s website ([www.ides.bg](http://www.ides.bg/)), an application in a standard form.

(7) The examinations in the relevant areas under Art. 14, paragraph 1 of IFAA shall be conducted by lecturers, duly authorized by the relevant head of chair at a university, in accordance with a curriculum, announced in advance, under which the subject is taught at this university.

(8) The examinations referred to in paragraph 6 shall be held in accordance with a time frame made public in advance on ICPA’s website ([www.ides.bg](http://www.ides.bg/)).

(9) The lecturer having conducted the examination shall draw up a protocol of test results for each examination.

(10) Within a 7-day period after the relevant examination, the protocols referred to in paragraph 9 shall be made public on ICPA’s website ([www.ides.bg](http://www.ides.bg/)).

(11) Annually, ICPA’s website ([www.ides.bg](http://www.ides.bg/)) shall announce information on the time frame for submitting documents, the curricula and the schedule for conducting the examinations under paragraph 8.

**Art. 7** (1) The professional experience referred to in Art. 13, paragraph 2 of IFAA and the practical training referred to in Art. 16, paragraph 1 of that Act shall be evidenced in accordance with Annex No 2 to these Rules.

(2) The practical training in accordance with the requirements of Art. 16, paragraph 1 of IFAA, shall be recognized as a part of the total professional experience required under Art. 13, paragraph 2 of IFAA. Where the practical training in the area of independent financial audit of annual financial statements or other financial statements is undergone under second employment contract, its duration shall be deemed equivalent to work under primary employment contract in accordance with the rules provided for in Art. 111 and 113 of the Labour Code.

Section II

Requirements to apply for starting the procedure to sit the examinations under Art. 15 of IFAA

**Art. 8.** (1) To sit the examinations referred to in Art. 15, paragraph 1 of IFAA, a candidate should have met the requirements under Art. 13 and Art. 14 of that Act and submitted the documents under paragraph 3 of these Rules.

(2) To start the procedure for sitting the examinations under Art. 15 of IFAA, candidates shall submit the relevant documents within a time limit announced in advance for each calendar year on ICPA’s website ([www.ides.bg](http://www.ides.bg/)). This announcement shall be made not later than two months before the date of the first examination of the examination sitting.

(3) The documents required to open the procedure for sitting the Certified Public Accountant examinations shall include:

1. Application form as per template;
2. Notarized copy of university degree diploma (from the file for the examinations under Art. 14, paragraph 1 of IFAA);
3. Extract from the protocols of the examinations under Art. 6, paragraph 9, to be filed *ex-officio* by ICPA;
4. Documents evidencing the professional experience under Art. 13, paragraph 2 of IFAA;
5. Criminal Record Certificate showing date of issue after 1st of January of the year of application;
6. Photocopy of the Identity Card;
7. For each examination under Art.15 of IFAA, however not later than 5 days before the date of the relevant examination, announced as per the schedule on ICPA’s website ([www.ides.bg](http://www.ides.bg/)), an application shall be filed for admission to the relevant examination, accompanied by a document evidencing fee payment.

(4) Where the deadline provided for in these Rules falls on a holiday or a non-working day, the first working day after the holiday or the non-working day shall be deemed as deadline.

(5) When applying to sit an examination in the next calendar year, a new Criminal Record Certificate shall be filed.

(6) The documents referred to in paragraph 3 shall be attached to the candidate’s file.

Chapter Four

CANDIDATES’ TRAINING

**Art. 9.** (1) To assist candidates’ preparation, ICPA shall organize courses for theoretical and practical training in the following pieces of legislation and areas:

1. The International Standards on Auditing (ISAs);
2. The Accountancy Act, the National Accounting Standards (NASs);
3. The International Accounting Standards (IASs);
4. IFAA, Professional ethics and independence;
5. Commercial law;
6. Tax and social security law.

(2) The practical training referred to in paragraph 1 shall include solving case studies and problems in the relevant areas.

(3) The courses shall be organized by ICPA in accordance with the syllabi approved. The courses shall be conducted by registered auditors or other experts with submitted accreditations for the relevant courses. The accreditation shall include a curriculum, literature references and a CV/biographical information evidencing the experience in the relevant subject.

(4) For each of the courses, a curriculum shall be approved. The curriculum, the date and the venue for each of the courses shall be announced on ICPA’s website ([www.ides.bg](http://www.ides.bg/)), minimum one month before they commence.

(5) The curriculum shall include theoretical issues and issues related to the practical application of the theory in the relevant subject, including illustrative examples and solved case studies.

(6) The materials for the courses shall be in writing and shall be provided free of charge to participating candidates.

**Art. 10.** (1) Certified Public Accountant candidates shall be responsible for their preparation for the purposes of sitting the examinations under Art. 15 of IFAA. ICPA’s responsibility shall concern the organization of the training aimed at updating and systematizing candidates’ knowledge with regard to the profession.

(2) To facilitate the preparation process and inform candidates about each examination sitting, ICPA’s website shall publish short guidance to the examinations, including an illustrative example for each examination.

Chapter Five

EXAMINATION CONTENT AND CONDUCTING

**Art. 11.** (1) Certified Public Accountant examinations in accordance with Art. 15, paragraph 1 of IFAA shall be held annually in an examination sitting as per the schedule approved by the Management Board (MB) of ICPA;

(2) The examination sitting schedule shall include at least two dates for each examination.

(3) The schedule shall be made public on ICPA’s website ([www.ides.bg](http://www.ides.bg/)) not later than two months before the first examination of the examination sitting.

(3) Where necessary, an additional examination sitting may be held in one calendar year.

(4) The examinations shall be held in writing in electronic format, using the *ICPA for Holding Electronic Examinations* information system, operating in the IT infrastructure of the Test Centre with the University of National and World Economy (UNWE), through work stations for each candidate.

(5) The information system referred to in paragraph 4 shall ensure the security and reliability of generating questions for test versions, the processing and releasing of examination results.

**Art. 12.** (1) Certified Public Accountant examinations shall be held through tests with structured answers (closed-ended question tests) and open-ended questions and/or case studies.

(2) To test analytical skills and detailed knowledge in accounting and independent financial audit, a second stage of these examinations shall be held, which shall comprise solving open-ended questions and/or case studies.

(3) Each test question shall contain information about:

1. Sequence number of the question;
2. Question weight;
3. The statement of the problem.

(4) The structured answer questions shall contain the four answers possible (*A, B, C* or *D*).

(5) The open-ended questions and/or case studies shall be structured into three groups of one question, depending on the relative weight:

1. Questions or case studies having a weight of 20 marks;
2. Questions or case studies having a weight of 30 marks;
3. Questions or case studies having a weight of 50 marks.

**Art. 13.** (1) The lists of key topics for conducting the examinations for each examination sitting shall be approved and made public on ICPA’s website ([www.ides.bg](http://www.ides.bg/)).

(2) The tests under Art. 12 of these Rules for each of the examinations referred to in Art. 15, paragraph 1 of IFAA shall correspond, in terms of content and scope, to the lists of key topics announced.

(3) The tests for the examinations in the relevant areas under Art. 15 of IFAA shall be designed on the basis of the legislation and regulations effective as at 1 January of the relevant year.

**Art. 14.** (1) Each of the examinations under Art. 15 paragraph 1 of IFAA shall be held in writing, as provided for in Art. 11 and Art. 12 of these Rules.

(2) The accountancy examination shall be conducted in two stages:

1. First stage – a test comprising 60 closed-ended questions with four possible answers, of which only one answer is correct. The questions shall be split into two modules, with each module having two sets of questions evenly distributed depending on their relative weight:

a) Module 1 containing questions on the Accountancy Act and the National Accounting Standards representing 50 per cent of the total number of questions;

b) Module 2 containing questions on the International Accounting Standards representing 50 per cent of the total number of questions.

1. Second stage – solving three open-ended questions and/or case studies.

(3) The independent financial audit examination shall be conducted in two stages:

1. First stage – a test comprising 60 closed-ended questions with four possible answers, of which only one answer is correct. The questions shall be split into two modules, with each module having two sets of questions evenly distributed depending on their relative weight:

a) Module 1 containing questions on the Independent Financial Audit Act and the Code of Ethics for Professional Accountants, issued by the International Federation of Accountants (IFAC) through the International Ethics Standards Board for Accountants (IESBA), representing 30 per cent of the total number of questions;

b) Module 2 containing questions on the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services, representing 70 per cent of the total number of questions.

1. Second stage – solving three open-ended questions and/or case studies.

(4) The commercial law examination shall be conducted by solving a test containing 100 closed-ended questions with four possible answers, of which only one answer is correct. The questions shall be split into 5 modules, with each module having two sets of questions evenly distributed depending on their relative weight:

a) Module 1 containing questions on the *General Part* and *Types of Merchants* Part of the Commerce Act, representing 36 per cent of the total number of questions;

b) Module 2 containing questions from the area on transformation of commercial companies from Part Two *Types of Merchants* of the Commerce Act, representing 10 per cent of the total number of questions;

c) Module 3 containing questions on Part Three *Commercial Transactions* of the Commerce Act, representing 36 per cent of the total number of questions;

d) Module 4 containing questions on the *Bankruptcy* and *Reconstruction Proceedings* of the Commerce Act, representing 14 per cent of the total number of questions;

e) Module 5 containing questions from the area on specific commercial law, representing 4 per cent of the total number of questions.

(5) The tax and social security law examination shall be conducted by solving a test containing 80 closed-ended questions with four possible answers, of which only one answer is correct. The questions shall be split into 6 modules, with each module having two sets of questions evenly distributed depending on their relative weight:

a) Module 1 containing questions on the Tax and Social Security Proceedings Code, representing 7 per cent of the total number of questions;

b) Module 2 containing questions from the area on corporate income tax, representing 38 per cent of the total number of questions;

c) Module 3 containing questions from the area on value added tax, representing 30 per cent of the total number of questions;

d) Module 4 containing questions from the area on natural person income tax, representing 13 per cent of the total number of questions;

e) Module 5 containing questions from the area on local tax, representing 5 per cent of the total number of questions;

f) Module 6 containing questions from the area on social security, representing 7 per cent of the total number of questions.

**Art. 15.** (1) For each examination, save for the second stages of the examinations in accountancy and independent financial audit, the information system shall generate, on a random basis, from the data base, an individual version of a test containing questions for each candidate.

(2) The marks which measure the complexity and difficulty of the questions/case studies shall be announced in the relevant test, with each individual version meeting the requirements specified in Art. 14 for the relevant examination.

**Art. 16.** The duration of the examinations shall be as follows:

1. First stage of the accountancy examination (closed-ended question test) – 4 hours;
2. Second stage of the accountancy examination (open-ended questions or case studies) – 4 hours;
3. First stage of the independent financial audit examination (closed-ended question test) – 4 hours;
4. Second stage of the independent financial audit examination (open-ended questions or case studies) – 4 hours;
5. Commercial law examination (closed-ended question test) – three hours;
6. Tax and social security law examination (closed-ended question test) – 5 hours.

**Art. 17.** When sitting the second stage of the examinations in accountancy and independent financial audit, candidates may use the relevant specialized literature, i.e. NASs, IASs, ISAs and the Code of Ethics for Professional Accountants and IFAA, to be made available by ICPA.

**Art. 18.** (1)Each candidate shall choose the sequence of sitting the Certified Public Accountant examinations as per the schedule announced for the relevant examination sitting.

(2) Each candidate shall have the right of choice in respect of sitting any of the examinations under Art. 15 of IFAA, in accordance with the schedule announced for the relevant examination sitting.

(3) To sit the second stage of the examinations in accountancy and independent financial audit, each candidate shall have the right of choice within the examination sitting, complying with the requirements of Art. 26 of these Rules.

(4) Candidates shall have the right to sit the examinations under Art. 15 of IFAA, until successfully passing them, within 5 consecutive examination sittings after starting the procedure referred to in Art. 8. If, subject to the previous sentence, a candidate has not successfully passed all the examinations, this candidate shall have the right to open a new procedure.

**Art. 19.** ICPA shall adopt and publish on its website Guidelines on Conducting Certified Public Accountant Examinations which shall contain detailed information and requirements for conducting the examinations.

**Art. 20.** The registration of candidates in the *ICPA for Holding Electronic Examinations* information system shall be made after each candidate enters in the information system the following data:

1. Examination title;
2. Unified Identity Code (EGN);
3. Registration number at ICPA.

**Art. 21.** Before the start of each examination, all candidates shall be given short oral guidelines/notes and instructions on holding the relevant examination, as well as instructions on the work with the information system.

**Art.** **22.** (1) Conducting the examination shall start after the registration of all candidates in the information system. After registration in the information system, an anonymous number shall be generated automatically for each candidate and it shall be different from the candidate’s individual number for the examination. The anonymous number shall be encrypted and shall not be visualized.

(2) After the commencement of the examination, the information system shall generate a protocol containing the names of the candidates sitting the examination and their individual numbers for the examination.

(3) After expiry of the time fixed for each examination in accordance with Art. 16 of these Rules, end of the examination and termination of work by candidates shall be announced.

(4) After the end of the examination is announced, a candidate shall terminate his or her work, submit working papers, in accordance with the instructions, and put his or her signature in the examination protocol under paragraph 2.

(5) In relation to the relevant examination, the information system shall store for each candidate protected information about the answers provided by the candidate to each question or case study. For the second stage of the relevant examination, the information referred to in the previous sentence shall also be on paper.

Chapter Six

ASSESSMENT AND ANNOUNCEMENT OF EXAMINATION RESULTS

**Art. 23.** (1) Candidates’ examination results from the closed-ended question tests shall be assessed by the information system referred to in Art. 11, paragraph 4.

(2) For each correct answer provided at the closed-ended question examinations, candidates shall be awarded the respective number of marks depending on the relative weight of the question, as follows:

1. For a correct answer to a low-level of difficulty question – 5 marks;
2. For a correct answer to a high-level of difficulty question – 10 marks;
3. For an incorrect answer or where no answer has been provided – zero marks.

**Art. 24.** (1)Candidates’ examination results from the open-ended question and/or case study tests shall be assessed by the commission for the preparation and conducting of the relevant examinations.

(2) When reviewing candidates’ answers, the examination papers under paragraph 1 shall be identified by the anonymous number referred to in Art. 22, paragraph 1 of these Rules.

(3) The review of the examination papers under paragraph 2 shall be carried out on the basis of a printout on paper of each candidate’s answers, with each page containing the decrypted anonymous number referred to in Art. 22 paragraph 1 of these Rules. The printouts shall be printed by the information system administrators on the date of holding the relevant examination, after the end of the examination has been announced.

**Art. 25.** (1) For assessing candidates’ results from the open-ended question and/or case study tests, the criteria and the approved allocation of marks to the individual parts of solving each open-ended question or case study shall apply, as proposed by the preparers and reviewed by the relevant commissions for the preparation and holding of examinations and the reviewers.

(2) The answers provided by each candidate to the open-ended questions and/or case studies shall be reviewed by two examiners, autonomously and independently from one another.

(3) Where the assessments of the examiners differ by less than 10 marks, the higher assessment shall be accepted as a final one.

(4) Where the assessments of the examiners differ by 10 marks or more, the answers of that candidate shall be reviewed by a third arbitrator examiner. The result of the arbitrator’s review shall be accepted as a final one.

**Art. 26.** An examination shall be considered as successfully passed where a candidate has obtained:

1. for the accountancy examination – a combined assessment formed by the calculated relative share of the results obtained from the first and second stages of the examination. The relative share shall be 30 percent for the first stage and 70 percent for the second stage. The total assessment shall represent the sum of 30 percent relative share of the result obtained from the first stage and 70 percent relative share of the result obtained from the second stage. Candidates shall have the right to sit the second stage of the examination where they have got a first stage result of minimum 50 percent of the maximum number of points for this stage. The second stage shall not require a minimum level for passing it. An examination shall be considered as successfully passed where a candidate has obtained a total assessment of 70 percent or more from the two stages of the examination.

2. for the independent financial audit examination – a combined assessment formed by the calculated relative share of the results obtained from the first and second stages of the examination. The relative share shall be 30 percent for the first stage and 70 percent for the second stage. The total assessment shall represent the sum of 30 percent relative share of the result obtained from the first stage and 70 percent relative share of the result obtained from the second stage. Candidates shall have the right to sit the second stage of the examination where they have got a first stage result of minimum 50 percent of the maximum number of points for this stage. The second stage shall not require a minimum level for passing it. An examination shall be considered as successfully passed where a candidate has obtained a total assessment of 70 percent or more from the two stages of the examination.

3. for the commercial law examination – 70 per cent of the maximum number of marks.

4. for the tax and social security law examination – 70 per cent of the maximum number of marks.

**Art. 27**. (1) Examination results shall be made publicly available on ICPA’s website ([www.ides.bg](http://www.ides.bg/)), as follows:

1. Examination results from the closed-ended question tests shall be announced after the end of the examination;
2. Examination results from the second stages of the examinations conducted using open-ended questions or case studies shall be announced within 10 working days as of the date of the examination.

(2) The information under paragraph 1 shall include the following:

a) Registration number at ICPA;

b) Full name;

c) Individual number for the examination;

d) Information on whether the examination has been successfully passed.

Chapter Seven

APPEAL

**Art. 28.** (1) After the date of making public the results, each candidate shall have access to the information about his or her answers to the open-ended questions and/or case studies of the second stage of the relevant examination within a period of time announced in advance on ICPA’s website. This period shall be announced not later than 14 days as of the date of the relevant examination.

(2) The time period of the access under paragraph 1 shall be set by the commissions for the preparation and conducting of the relevant examinations and shall be announced in advance on the website of the Institute.

(3) The access under paragraph 1 shall be granted at ICPA’s premises with the use of copying devices, including telephones and cameras, being prohibited.

(4) When providing information to candidates about the results as set out in paragraph 1, access shall be granted to the statement of the question or case study, the solutions provided by the candidate for each part of the statement of the question or case study, and the number of marks obtained with allocation to each question/case study in accordance with Art. 25, paragraph 1.

**Art. 29.** (1) Where, according to candidate’s opinion, infringements of the procedure laid down in the requirements of these Rules have been made in conducting the examination, the candidate may, within a period of 10 working days as of the expiry of the term under Art. 27, paragraph 1, submit a complaint with ICPA.

(2) The complaints under paragraph 1 shall be considered by the Commission for the Organization of the Examinations within a period of 5 working days as of the expiry of the term for their submission. The Commission for the Organization of the Examinations shall announce its decision on each of the complaints. Within a period of 5 working days as of the announcement of the decision, the Commission for the Organization of the Examinations shall inform the complainants about the decisions made by a registered letter with acknowledgment of receipt or via electronic mail to the e-mail address indicated by the candidate.

(3) Where the requests in the submitted complaints have been partially or fully dismissed, the Commission for the Organization of the Examinations shall, within a period of five working days as of the announcement under paragraph 2, forward the entire documentation on each of these complaints to be decided by CPOSA.

(4) The files of the complaints under paragraph 3 received by CPOSA shall be considered by the Commission within a period of 10 working days as of the date of submission. The Commission for Public Oversight of Statutory Auditors shall announce its decision on each of the submitted complaints. Within a period of five working days from the announcement, CPOSA shall inform the complainants about the decisions made.

(5) CPOSA’s decision under paragraph 4 shall be final and not subject to judicial appeal.

(6) The complaint under paragraph 1 and 3 shall be submitted in person or by post through a letter with acknowledgement of receipt. The complaint has to be in the Bulgarian language and shall contain at least:

1. Candidate’s full name, correspondence address and registration number;
2. Information about the examination whose procedure is being appealed;
3. Complainant’s objections and requests;
4. Candidate’s signature.

Chapter Eight

FEES

**Art. 30.** (1) For each examination sitting, candidates shall pay fees fixed on the basis of the estimated expected costs for the organization and conducting of examinations, approved by a decision of the MB of ICPA.

(2) The fees fixed as per paragraph 1 shall be:

1. for the inspection of documents under Art. 5 of these Rules;

2. for each examination under Art.14 of IFAA;

3. for each examination under Art.15 of IFAA;

4. for the organization of preparatory trainings/courses.

(3) Fees shall be paid before submission of the relevant applications for the inspection of documents filed, for sitting the examinations under Art.14 and Art.15 of IFAA, and for participation in the organized trainings.

(4) The decision regarding the fees fixed for the relevant examination sitting shall be made public on ICPA’s website ([www.ides.bg](http://www.ides.bg/)).

Chapter Nine

STRUCTURE OF MANAGING THE EXAMINATIONS

**Art. 31.** (1) For the purposes of ensuring the conducting and management of the written Certified Public Accountant examinations, as well as to ensure the application of the relevant rules and procedures, the MB of ICPA shall elect Commission for the Organization of the Certified Public Accountant Examinations, which shall comprise: a member of the MB, the person in charge of the examinations under Art. 14, paragraph 1 of IFAA, as approved by that Board, and three representatives of the Educational and Methodological Council, a body in support of the MB of ICPA.

(2) The Commission for the Organization of the Certified Public Accountant Examinations shall perform the following functions:

1. prepare and propose for approval rules and procedures for conducting the examinations;
2. review the rules and working procedures, as well as the methods for determining the assessment criteria for examination commissions;
3. approve the syllabus for the examinations referred to in Art. 15, paragraph 1 of IFAA;
4. approve the programme for training Certified Public Accountant candidates;
5. propose for approval by the MB of ICPA the composition of the Commissions for the Preparation and Conducting of the Examinations referred to in Art. 15, paragraph 1 of IFAA, the reviewers and the preparers of questions and case studies;
6. approve the organized training of the preparers of questions and case studies, the members of the Commissions for the Preparation and Conducting of the Examinations referred to in Art. 15, paragraph 1 of IFAA and Certified Public Accountant candidates;
7. consider and respond to the complaints related to holding the examinations;
8. elect a commission for the assessment of compliance of candidates’ higher education diplomas with the requirements of Art. 14, paragraph 1 of IFAA, which shall comprise three members, one of whom shall be from the Commission as provided for in Art.31, paragraph 1;
9. consider also other matters related to the training, preparation and conducting of the Certified Public Accountant examinations.

(3) A representative of CPOSA may take part in the sessions of the Commission for the Organization of the Certified Public Accountant Examinations so as to perform the supervisory functions of the Commission referred to in Art. 71, paragraph 2(5) of IFAA.

(4) The Commission for the Organization of the Certified Public Accountant Examinations shall be accountable for its activities before the MB of ICPA.

(5) Members of the Commission for the Organization of the Certified Public Accountant Examinations shall be paid a remuneration for the hours worked which shall be determined by a decision of the MB of ICPA.

**Art. 32.** (1) Standing commissions shall be set up for the preparation and conducting of the examinations under Art. 15, paragraph 1 of IFAA, as follows:

1. Commission for the Preparation and Conducting of the Examination in Accountancy, comprising three to five members;
2. Commission for the Preparation and Conducting of the Examination in Independent Financial Audit, comprising three to five members;
3. Commission for the Preparation and Conducting of the Examination in Tax and Social Security Law, comprising three to five members;
4. Commission for the Preparation and Conducting of the Examination in Commercial Law, comprising three to four members;

(2) Based on the proposal of the Commission for the Organization of the Certified Public Accountant Examinations, the MB of ICPA shall approve the chairpersons of the commissions under paragraph 1.

(3) The composition of the commissions referred to in paragraph 1 shall be approved by the MB following the proposals made by their respective chairpersons.

(4) Each member of the commissions shall have a right to one vote. In the event of a tied vote, the chairperson of the relevant commission shall have the casting vote.

(5) For their work, the commissions for the preparation and conducting of the examinations shall report, after each conducted examination, to the Commission for the Organization of the Certified Public Accountant Examinations.

(6) Members of the commissions referred to in paragraph 1 shall be paid a remuneration for the hours worked which shall be determined by a decision of the MB of ICPA.

**Art. 33**. (1) To assist the examination process and the commissions referred to in Art.32 paragraph 1 of these Rules, Preparers of Test Questions and/or Case Studies shall be designated for the relevant examinations.

(2) The preparers shall be individuals possessing expertise in the areas related to the relevant examination.

(3) The preparers shall be proposed by the chairpersons of the relevant commissions for the preparation and conducting of the examinations under Art. 32 paragraph 1, shall be coordinated with the Commission for the Organization of Examinations, and shall be approved accordingly by the MB of ICPA.

(3) The preparers shall be paid a remuneration, calculated on the basis of each question included in the data base, and determined by a decision of the MB of ICPA.

**Art. 34.** (1) To ensure the quality of the database containing the open-ended questions and case studies, reviewers specialized in the relevant areas shall be designated who shall then carry out reviews for compliance of the questions and case studies with the requirements of these Rules and other effective regulations.

(2) Reviewers shall be individuals possessing expertise in the areas related to the relevant examination; they shall be proposed by the Commission for the Organization of the Examinations and approved accordingly by the MB of ICPA.

(3) Reviewers shall be paid a remuneration for each question referred to for review as determined by a decision of the MB of ICPA.

**Art. 35.** The work of the commissions for the preparation and conducting of the examinations and of question preparers shall be performed in accordance with time frames, approved accordingly by the chairpersons of the relevant commissions, which shall comply with the schedule for conducting the examinations in the relevant examination sitting, as approved by the MB of ICPA, and the requirements of the Guidelines under Art. 19.

**Art. 36**. (1) The commissions for the preparation and conducting of the examinations shall determine and assign to the preparers from which areas to prepare the questions for the relevant examination and the relative weight of these questions.

(2) In accordance with the time limits under Art. 35, the preparers shall present to the commissions, on paper and in electronic form, proposals for test questions.

(3) Each preparer shall submit the questions assigned thereon, allocated to modules and areas, together with the options for an answer. Each question shall be accompanied by its solution, reference to the grounds for the correct answer, as well as a proposal for its relative weight.

(4) The facts and circumstances related to the relevant question shall be set out clearly, with unambiguous interpretation, and consistent logical structure. The questions shall be drawn up in a way that does not require extensive technical calculations.

**Art. 37.** (1) In line with the time frames under Art. 35, the commissions shall check the questions, case studies and answers, submitted thereto by the preparers, for compliance with the requirements of the Rules and other effective legal and regulatory provisions. Where mistakes in the statement of the problem or deficiencies in the answers or solutions are identified, the relevant question shall be removed. The results of this check shall be reported in a protocol.

(2) Following the check referred to in paragraph 1, all questions, case studies and answers thereto, approved by the Commissions for the Preparation and Conducting of the Examinations, shall be submitted to the reviewers under Art. 34, paragraph 1 for review for consistency with the requirements of the Rules and other effective legal and regulatory provisions and for control problem solving.

(3) Where the reviewers identify mistakes in the statement of the problem or deficiencies in the answers or solutions, the relevant question shall be removed. The results of these reviews shall be reported in a protocol.

(4) In line with the time frames under Art. 35 and on the basis of the protocols under paragraph 3, the Commissions for the Preparation and Conducting of the Examinations shall make decisions in writing on the inclusion of new questions and case studies in the database for the relevant examination.

(5) For each examination sitting, the Commissions for the Preparation and Conducting of the Examinations shall check the databases with questions, case studies and answers for the relevant examinations, and shall be entitled to supplement, amend or correct same under the procedure provided for in the preceding paragraphs. Any supplement, amendment or correction shall be reported in a protocol.

(6) The Commissions for the Preparation and Conducting of the Examinations shall approve the results of the relevant examinations for which they are responsible.

**Art. 38.** For the members of the Commissions for the Preparation and Conducting of the Examinations, the reviewers and question and case study preparers, training courses and instructions shall be arranged regarding the requirements for preparing the relevant examination.

**Art. 39.** Direct organization with regard to conducting the examinations shall be carried out by ICPA’s administrative staff, in coordination with the Commission for the Organization of the Examinations.

Chapter Ten

INDEPENDENCE, CONFLICT OF INTEREST AND CONFIDENTIALITY

**Art. 40.** (1) To ensure independence, confidentiality and no conflict of interest with respect to the examination process, the members of the Commission for the Organization of the Examinations and the Commissions for the Preparation and Conducting of the Examinations, the question and case study preparers, the reviewers and the designated individuals from the UNWE, administering the information system for the conduct of the examinations, shall be required to be independent, to maintain confidentiality and to be aware throughout the examination process of any potential conflict of interest.

(2) For the purposes of paragraph 1, for each examination sitting and/or examination, the persons listed in paragraph 1 shall sign declarations of independence, confidentiality, including on the non-disclosure of the questions, case studies and the answers thereto, as well as of no conflict of interest. The declarations shall be kept by ICPA’s administrative staff as part of the examination documentation.

**Art. 41.** To secure and protect the database for the relevant examination, the Commissions for the Preparation and Conducting of the Examinations shall organize their work in accordance with the requirements of Art.37, paragraph 1.

**Art. 42**. (1) For each examination sitting and/or examination, the designated responsible individuals from the UNWE, administering the information system for the conduct of the examinations, shall confirm in writing their responsibility for the implementation and compliance with appropriate measures for confidentiality, control and security.

(2) To secure and protect the database for the relevant examination during the day following the examination, as well as during the day when the examination results are announced, the information with the database provided by the Commissions for the Preparation and Conducting of the Examinations shall be erased from the servers of the UNWE and returned back to ICPA for safekeeping. The erasure shall be ensured by the signing of a declaration by the designated responsible individuals from the UNWE, administering the information system for the conduct of the examinations.

Chapter Eleven

SAFEKEEPING OF DOCUMENTATION

**Art. 43.** (1) The entire documentation (including all protocols, declarations of independence, confidentiality and no conflict of interest, protocols, orders and decisions of the MB of ICPA and of the commissions) for each examination sitting and examination conducted under the Rules shall be kept in separate files for a period of 5 years, as of the date of holding the examination.

(2) After the expiry of the term under paragraph 1, the files shall be destroyed by a commission appointed on the basis of an order issued by ICPA’s chairman. A protocol signed by the members of this commission shall be drawn up for the destruction of the documents.

(3) The term under paragraph 1 shall also refer to keeping the files containing all Certified Public Accountant candidates’ documents. After the expiry of the term as of the date of the last examination of the relevant candidates, their files shall be destroyed by a commission appointed on the basis of an order issued by ICPA’s chairman. A protocol signed by the members of this commission shall be drawn up for the destruction of the documents.

TRANSITIONAL AND CLOSING PROVISIONS

**§ 1.** These Rules shall repeal the Rules of Procedure for the Organization and Conducting of Examinations for Certified Public Accountant Qualification adopted by the Commission for Public Oversight of Statutory Auditors by Decision No 06/16.01.2018.

**§ 2.** Candidates who, as of the date of entry into force of these Rules, were compliant with the requirements under Art. 14 of IFAA, shall not be subject to a new equivalence recognition procedure.

**§ 3.** Candidates who, until the entry into force of these Rules, have been involved in a procedure to recognize equivalence in examinations under Art. 14 of IFAA, shall continue the procedure as provided for in these Rules.

**§ 4.** Candidates, who in 2018 were involved in a procedure of sitting the examinations under Art. 15 of IFAA and have successfully passed one or more of the examinations, shall continue the procedure as provided for in Art. 18, paragraph 1-3 of these Rules, completing the procedure within the term under Art. 25 of the repealed rules.

**§ 5.** Candidates, who in 2018 passed successfully the first stage of the relevant examination under the repealed rules, may sit the second stage of this examination in the 2019 examination sitting, with the assessment for these examinations being formed in accordance with the requirements of these Rules.

**§ 6.** These Rules were approved by the Commission for Public Oversight of Statutory Auditors by Decision No 18/12.02.2019 and shall come into effect as of the date of their approval.

**ANNEX No 1**

**SCHEDULE**

**of the correlation of the examinations under Art. 14, paragraph 1 of IFAA**

**and the subjects taught at the universities in the Republic of Bulgaria**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No** | **Examinations under Art. 14, paragraph 1 of IFAA** | **Subjects taught at the universities** | **Degree** | **Number of hours of tuition** | |
| **lectures** | **seminars** |
| 1 | General theory of accounting | Basics of accounting | B | 45 | 30 |
| 2 | Financial accounting | Financial accounting | B | 45 | 30 |
| 3 | Management accounting | Management accounting | B | 45 | 30 |
| 4 | Financial statements analysis | Financial and economic analysis | B | 30 | 30 |
|  | Analysis of the financial statements of non-financial entities | M | 60 | 0 |
|  | Analysis of the financial statements of a financial entity | M | 60 | 0 |
| 5 | Financial control and auditing standards, including ISAs | Auditing | B | 30 | 30 |
|  | Financial control and auditing standards | M | 18 | 0 |
|  | International Standards on Auditing | M | 60 | 0 |
| 6 | Commercial law | Commercial law | B | 30 | 30 |
| 7 | Tax law | Taxation and tax control | B | 60 | 60 |
|  |  | Tax procedure law | M | 60 | 0 |
| 8 | Labour and social security law | Labour and social security law | B | 30 | 30 |
| 9 | Enterprise finances | Corporate finances | B | 45 | 30 |
| 10 | Mathematics and statistics | Mathematics, Part I | B | 30 | 30 |
|  |  | Mathematics, Part II | B | 30 | 30 |
|  |  | Statistics | B | 45 | 30 |
| 11 | Microeconomics | Microeconomics | B | 45 | 30 |
|  |  | Microeconomics | M | 60 | 0 |
| 12 | Basics of the financial management of an enterprise | Capital budgeting | M | 60 | 0 |
|  | Financial and accounting management | M | 60 | 0 |
|  |  | Financial management | M | 60 | 0 |
| 13 | Information systems and technology | Informatics | B | 30 | 30 |
| Information systems in accounting | B | 30 | 30 |
| Special course of lectures in hardware and software | M | 60 | 0 |
| 14 | Risk management and internal control | Supervision and risk management | B | 45 | 0 |
|  | Risk management and internal control | B | 30 | 0 |
| 15 | Professional ethics and independence | Professional ethics and independence | B | 30 | 0 |

**Note:**

1. In determining the number of tuition hours in the relevant subject required for the equivalence, the form of study shall be taken into account – extramural learning (50 % of the tuition hours for regular/intramural learning) and distant learning (30 % of the tuition hours for regular/intramural learning).
2. The certificate containing the АССА examinations record shall be equated to the requirements under Art. 14, paragraph 1 of IFAA.

**ANNEX No 2**

1. To furnish proof of their professional experience under Art. 13, paragraph 2 of IFAA candidates shall submit the following documents:

1.1. Under employment contracts:

a) where the candidate is working under primary employment contract – a record of service;

b) where the candidate is working under second or supplementary employment contract – a certificate as per template UP-3 and the data under Art. 5, paragraph 4 of the Social Security Code.

1.2. Where the preparer of the financial statements is a self-employed person – a Social Insurance Card certified by the National Social Security Institute in accordance with Art.7 of the Ordinance on the Social Security of Self-Employed Persons, agreements on the provision of accounting, financial or other similar services and documents on the payments made for the period prior to 31 December 2008, and for the period after 1 January 2009 – the data under Art. 5, paragraph 4 of the Social Security Code.

1.3. Where the preparer of the financial statements is an accounting firm – management agreements of a managing director, agreements on the provision of accounting, financial or other similar services. The information on the contributory service shall be evidenced by a Social Insurance Card certified by the National Social Security Institute for the period prior to 31 December 2008, and for the period after 1 January 2009 – the data under Art. 5, paragraph 4 of the Social Security Code.

2. To furnish proof of their practical training under Art. 16, paragraph 1 of IFAA, candidates shall submit the following documents:

2.1. Under employment contracts:

a) where the candidate is working under primary employment contract – a record of service;

b) where the candidate is working under second or supplementary employment contract – a certificate as per template UP-3 and the data under Art. 5, paragraph 4 of the Social Security Code.

* 1. Under Contract Law agreements – service contracts and documents of accepting the work performed under the contracts by assistant auditors (auditor’s aides). The information on the contributory service shall be evidenced by a Social Insurance Card certified by the National Social Security Institute for the period prior to 31 December 2008, and for the period after 1 January 2009 – the data under Art. 5, paragraph 4 of the Social Security Code.
  2. Under Management Contracts – management agreements of a managing director, agreements on the provision of audit and related services. The information on the contributory service shall be evidenced by a Social Insurance Card certified by the National Social Security Institute for the period prior to 31 December 2008, and for the period after 1 January 2009 – the data under Art. 5, paragraph 4 of the Social Security Code.
  3. A certificate and a certified auditor’s card (as per the template approved by CPOSA) of a registered auditor (an audit firm or a natural person practitioner) for undergone practical training. The auditor’s card shall contain information on the particular audit engagements and the work time spent by the candidate for each of them.