



Republic of the Philippines  
Professional Regulation Commission  
Manila



Professional Regulatory Board of Accountancy  
Resolution No. 11  
Series of 2022

**ISSUANCE OF FREQUENTLY ASKED QUESTIONS FOR THE REVISED  
PARTNER ROTATION PROVISIONS OF THE CODE OF ETHICS  
FOR PROFESSIONAL ACCOUNTANTS IN THE PHILIPPINES**

**WHEREAS**, Section 9 of Republic Act (R.A.) No. 9298, also known as the "Philippine Accountancy Act of 2004", provides for the authority of the Professional Regulatory Board of Accountancy (Board) to prescribe and/or adopt a Code of Ethics for the practice of Accountancy;

**WHEREAS**, the Board issued Resolution No. 53 (s. 2019) to adopt the "2018 Edition of the International Ethics Standards Board for Accountants (IESBA) International Code of Ethics for Professional Accountants, including the International Independence Standards, as the Code of Ethics for Professional Accountants in the Philippines (2018 edition), and Prescribing Amendments Thereto";

**WHEREAS**, Section 3.B. (ix), Rule 68 of the *Revised Securities Regulation Code (SRC)* requires that the independent auditors or in the case of an auditing firm, key audit partners, as defined under Section 1(B) (viii) of Part 1 of Rule 68 of the SEC-regulated entities under Groups A to C, except for non-stock, non-profit corporations, to comply with the provisions on long association of personnel (including partner rotation) with an audit client as prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the Board and the Professional Regulation Commission (Commission) and such other standards as may be adopted effective for annual financial statements covering periods ending December 31, 2019;

**WHEREAS**, Section 1(f) of Bangko Sentral ng Pilipinas Circular No. 1040 (s. 2019), otherwise known as the *Revised Framework on the Selection of External Auditors*, provides that the external auditor, including the engagement and quality control partners of the audit firm, of the Bangko Sentral Supervised Financial Institutions (BSFIs) shall be rotated in accordance with the relevant provisions of the Code of Ethics for Professional Accountants in the Philippines as adopted by the Board;

**WHEREAS**, Section 1 of the Insurance Commission (IC) Circular Letter (C.L.) No. 68 (s. 2019), otherwise known as the *Adoption of the Code of Ethics for Professional Accountants in the Philippines*, which supplements C.L. No. 39 (s. 2019) or the *Revised Framework on the Selection of External Auditors*, mandates that all accredited external auditors and auditing firms shall observe and comply with the current requirements of the Code of Ethics for Professional Accountants in the Philippines as adopted by the Board. Further, Section 2 thereof provides that the IC accredited External Auditor, including the engagement and quality control partners of the accredited Audit Firm, of the IC's regulated entities shall be rotated in accordance with the relevant provisions of the Code of Ethics for Professional Accountants in the Philippines and implementing rules and regulations as adopted and issued by the Board at the time of audit.

**WHEREAS**, the Philippine Institute of Certified Public Accountants (PICPA) Ethics Committee, after conduct of discussions and consultations with the relevant agencies, thereafter, endorsed to the Board and the Commission the issuance of Frequently Asked Questions that practitioners may refer to as guide in the implementation of the revised partner rotation provisions under the Code of Ethics for Professional Accountants in the Philippines (Annex A).

**WHEREFORE**, the Board **RESOLVES** to adopt and issue the **Frequently Asked Questions for the Revised Partner Rotation Provisions of the Code of Ethics for Professional Accountants in the Philippines** as indorsed by the PICPA Ethics Committee.

**RESOLVED FURTHER**, that in case of conflict between the provisions of the Code and of a domestic law, the latter shall prevail.

These Implementing Guidelines shall be effective for annual audits of financial statements for periods ended December 31, 2019.

This Resolution shall take effect upon approval.

Done in the City of Manila this 14<sup>th</sup> day of February, 2022.

  
**NOE G. QUINANOLA**  
Chairman

  
**THELMA S. CIUDADANO**  
Vice Chairman


  
**ARLYN S. VILLANUEVA**  
Member

  
**SAMUEL B. PADILLA**  
Member

  
**GERVACIO I. PIATOR**  
Member

  
**GLORIA T. BAYSA**  
Member

**(Vacant)**  
Member

**ATTESTED:**  
  
**Atty. Lovelika T. Bautista**  
Chief, PRB Secretariat Division

**APPROVED:**  
  
**TEOFILO S. PILANDO, JR.**  
Chairman

  
**JOSE Y. CUETO, JR.**  
Commissioner

**VACANT**  
Commissioner