



NEWS ARTICLE

Agreement between the CFC, FBC and AICPA brings Brazilian and North-American professionals together

Maristela Girotto

Translation: Positive Idiomas

In a joint effort, the Federal Accountancy Counsel (CFC), the Brazilian Accountancy Foundation (FBC) and the American Institute of Certified Public Accountants (AICPA) are developing projects with the purpose of exchanging information, sharing knowledge and advancing the accounting profession in both countries. Among several actions foreseen by the agreement, the support to the application of the CPA Exam in Brazil is already in already under its implementation phase and, more recently, the execution of the conference How to Make Business in Brazil, which will be held in July of this year, in the city of Orlando, in the U.S.

“This article is part of the new globalized world order, in which organizations have become more open and accepting to partnerships”, states Juarez Domingues Carneiro, president of the Federal Accountancy Council. Besides, he highlights that this agreement is a proof that Brazil, through the CFC, has taken a leadership role and become a facilitator of the advance of Brazilian Accountancy in Latin America and the world.

Before signing the partnership with the AICPA, which had its Understanding Memo signed in December 8th, 2011, the CFC had already developed a project, since 2007, with the Ordem dos Técnicos Oficiais de

Contas de Portugal (Otoc), with the purpose of allowing the knowledge transfer, within the accounting area, between Portuguese speaking countries. Another international action led by the CFC was the constitution, in 2011, of the Latin American Group of Financial Information Norms (Glenif), comprised of 15 countries in Latin America. Presided by Juarez Domingues Carneiro, the Glenif’s main purpose is to be the region’s reference in the International Accounting Standards Board (Iasb), reporting the particularities and needs of the member countries during the preparation and edition of the International Accounting Norms (IFRS, in the English acronym).

Added to the success of these international experiences from this year on are the actions foreseen by the partnership signed between the CFC, the FBC and the AICPA.

In this newspaper article, **RBC** exposes the work that has been performed in order to enable the actions of this partnership between Brazilian and American entities; releases information about the conference How to Make Business in Brazil; provides details about the ongoing projects and its corresponding Working Groups; and highlights the execution process, in Brazil, about the CPA Exam, introducing professionals who are certified and speaking of its benefits.



Entities work together to strength the field

Acting as pioneers, the CFC and the FBC signed the agreement with the AICPA American Institute, agency responsible for the certification and licensing of American accountants. Constituted in 1887 as the American Association of Public Accountants, the AICPA adopted the present designation in 1957. Currently, it counts with approximately 380 thousand members (more information regarding the agency can be found at www.aicpa.org).

For the CFC's President, this partnership – as the other partnerships signed with international entities – is crucial to improve the formation of Brazilian professionals, once it adds important information and knowledge to the field. Juarez Carneiro expects that, in the next years to come, the projects executed through this partnership are taken to other Latin American countries.

During a meeting held at the CFC's headquarters, in Brasilia, on November 12th and 13th of 2012, the AICPA's Vice-President of Publications, Linda Cohen, stated that the AICPA believes that this partnership's projects, "although laborious at this initial operationalization stage, will bring very positive results in the future". She also said that this joint effort will be a great chance for the AICPA to widen its presence in Latin America, as Brazil is one of the great leaders in the region.

The partnership projects were discussed, this year, in a meeting performed on February 28th and March 1st, at the AICPA office in New York. Then, the President of the CFC, Juarez D. Carneiro; of the AICPA, Barry Melancon; and the Instituto dos Auditores Independentes do Brasil (Ibracon), Eduardo Pocetti were present. Parti-



Signing of the agreement between CFC, FBC and AICPA in NY. Standing: Dina Lavaia, Linda Cohen, Elys Tevânia, Veronica Souto Maior, Eduardo Pocetti, Terce Ana Rodriguez, Fabio Moraes and Susan Coffey; Seated: Juarez Carneiro and Barry Melancon.

icipated in the meeting, as well, the following FBC and CFC's representatives: the Vice-President of Professional and Institutional Development, Maria Clara Cavalcante Bugarim; the Technical Vice-President, Verônica S. Maior; the counselor Ana Tércia Rodrigues; the Executive-Director, Elys Carvalho; and the Professor and member of the Technical Group (GT) Fábio Moraes.

From the AICPA's team, Amanda Black, Craig Mills, Dina Lavaia, Linda Cohen, Linda Sinnott, Kiera Speed, Ed Rose e Christy Robertson participated.

How to Make Business in Brazil

One of the first actions resulting from the partnership between the CFC, FBC and AICPA will be the execution of the conference How to Make Business in Brazil, which will take place next July, in Orlando, Florida. The purpose of the event is to present topics on macro-economy and legal, fiscal, regulatory, accounting and cultural implications for American

companies interested in making businesses in Brazil.

According to the organizers' expectation, the event will be extremely productive for the three entities, as a way of releasing the partnership and the work performed in both countries. Besides, it is expected that the conference will bring important information, for the participants from American companies, regarding the most recent tendencies of business in Brazil and the county's economic, cultural, fiscal and accounting environment. In order to do so, the panels will provide specialized information, practical solutions and will count on the participation of renowned Brazilian and American speakers.

The Counselor Ana Tércia highlights that the opportunities resulting from the big events expected to take place in Brazil in the following years, as the World Cup and the Olympic Games, besides the World's Youth Conference, which will happen in Rio de Ja-

neiro this year, are allowing more visibility to the country abroad.

"These facts will place Brazil in a strategic position for the attraction of new enterprises and foreign capital for our economy. Against this scenery, the accountant ends up getting more projection, as it is identified as a technically prepared professional, able to work as a pro-

cess facilitator. All this helps to put the profession forward, aligned with all other actions from the Project 2013: Year of the Accountancy in Brazil", says the CFC's counselor.

More information about the conference How to Make Business in Brazil – dates, complete agenda, and enrollment information – will be released within the following weeks.

"As a result of the agreement with the AICPA, which has at its base reciprocity, we will hold the event 'How to do business in the United States', on 28 and 29 August, in Brasilia, Distrito Federal," said the president of the CFC, Juarez Carneiro. The conference, in Brazil, is being organized and the information will be made available in the coming months.



Committees organize and develop the projects

The products and services that are part of the partnership between the CFC, FBC and the AICPA, are organized within the scope of three projects: Exams, Training and Certificate in IFRS, and Cooperation in Publications and other products and services. For each one of these projects, a committee comprised of Brazilian experts was instituted by the CFC Ordinance nº 101, from May 2012.

The ordinance also instituted the program's Administration Committee, which counts with the participation of the following members: Juarez Domingues Carneiro, president of the CFC; Maria Clara Cavalcante Bugarim, CFC's Vice-President of Professional and Institutional Development; and José Martonio Alves Coelho, President of the Brazilian Accountancy Foundation.

As a result of the diversity which involves both countries reality, the committee has held several meetings, virtual and in person, in order to adjust a series of issues before promoting the products' release.

You can get to know the Projects and their corresponding responsible Working Groups below:]

Exams

The purpose of this project is to promote the execution of the CPA

Exam in Brazil, and the cooperation for the improvement of the Exam's Adequacy.

The Working Group responsible for this project is coordinated by Rogério Costa Rokembach and counts with the following participants: Roberta Alencar, Pedro Coelho Neto and José Antonio de França.

One of the actions that have been studied by the Group is the attribution of points in the Continued Professional Education Program, from the Federal Accountancy Council, to the accountants approved at the CPA Exam. This program aims at updating and enhancing the accountant's knowledge who act in the labor Market as independent auditors.

Applied by the AICPA – in partnership with the North-American National Association of State Boards of Accountancy (Nasba) and the company Prometric –, the CPA Examination was first scheduled in Brazil in February, 2012. Candidates need to be qualified for the test, which are available in the following months: February, May, August and November of each year.

"We are developing a wide promotional campaign for the CPA



Robson Cesco

Rogério Rokembach

Exam targeting Brazilian accountants. The plan's objective, organized in big topics, is to make the exam known in the whole country, through its general promotion to accountants and universities. In addition, we plan to periodically carry out promotions focused on more specific and potentially more interested audiences, such as accountants who work for large companies, regulated and listed companies, companies which operate in more than one country, auditors and others", states Rogério Rokembach.

(Learn more about the CPA Exam on page 19).

Training and certification in IFRS

Among the goals of this Project are the development and the update of the training materials for accounting professional which are feasible to the both Brazilian and North-American contexts, contemplating the IFRS norms, edited by the lasb, and its corresponding matches in Brazil, edited by the CFC, which are not the Brazilian General Technical Norms of Accountancy (NBC TGs), besides the IFRS for Small and Medium-Sized Entities (SMEs) and its Brazilian equivalent, the NBC TG 1000 – Accounting for SMEs.

An online certification program will also be created at the IFRS, to be developed in partnership with the three entities participating in the agreement, which will be offered in Portuguese, English and Spanish versions, to the Brazilian, Latin-American, Caribbean, and North-American professionals.

The trainings offered within the scope of this Project will add points at the Continued Professional Education Program, and grant a certificate of participation as well.

The Group is comprised of the following members: Verônica Souto Maior (General Coordinator), Fábio Moraes da Costa (Deputy Coordina-



Verônica Souto Maior



Fábio Moraes

tor), Cristiano José Ribeiro dos Santos, José Elias Feres de Almeida, José Antônio de França, Rogério Rokembach and Ricardo Lopes Cardoso.

“We are currently working in a pilot program, which consists of four training modules, already taking into consideration the Brazilian particularities”, reveals Verônica Souto Maior, who is also the CFC’s Technical Vice-President.

The Deputy Coordinator Fábio Moraes, explains that the training will be offered online, which will allow reaching every Brazilian region. “We hope that the material contributed for the development of Brazilian professionals and that, in the future, the pilot program may be transformed in a wider program, contemplating the main international norms of accountancy”, he says.

Cooperation on Publications and Other Products and Services

This project aims at exchanging information related to publications and other additional products and services, in order to promote the information exchange and provide opportunities for the creation of new texts, and the distribution and promotion of editorial resources.

As this project’s initial results, two AICPA publications were selected for translation and release in Brazil: “The Financial Frauds Report: A Practical Guide for the Detection and Internal Control – 2nd edition” and “IFRS Norms: Accounting Tendencies and Techniques”.

This Group is coordinated by CFC’s Council, Ana Tércia Lopes Rodrigues, and counts with the participation of Adeildo Osório de Oliveira, Elys Tevania Carvalho and Valdir de Oliveira Amorim.

The coordinator stated that, in the following weeks, an article about Sustainability, entitled “Thirsty Planet” will be available at the CFC’s web portal, as a result of the collaboration allowed by the project, which will be offered by



Ana Tércia Rodrigues

the AICPA to Brazilian professionals free of charge.

“On the other side, we are trying to develop a Project in which the CFC and the FBC also have an opportunity to present its technical, scientific, and cultural potential to the American professionals. In order to do that, we are working together with our colleagues at AICPA, inspired by the reciprocity paradigm, showing our expertise in sharing successful

experiences and cases to be made available to all AICPA's members", Ana Tércia explains.

As a result of this cooperative posture, The Publications Group will also launch, at the American market, an edition dealing with the themes to be developed by the conference How to Make Business in Brazil. In addition, according to

the Group's Coordinator, another event to be carried out in Brazil will be proposed, How to Make Business in the U.S.A, projecting the North-American market to entrepreneurs and Brazilian investors. This challenge was launched by the CFC President, Juarez Carneiro, during the meeting held at AICPA in February, 2013.



The uniform CPA Exam provides international credential

The most important accounting certification in the United States, the Certified Public Accountant (CPA) is obtained through the Uniform CPA Examination, which is applied for more than 100 years in North-America. The acknowledgment of this credential, however, is not restricted to the American professional market, being considered one of the most important financial international certifications.

The CPA credential became, today, a differential in the career of accounting professional, ensuring the recognition, not only within the American Market, but also in Europe and other regions, of the significant acquisition of knowledge about complex accountancy, legal, fiscal and auditing rules in force in the US. From 2012 on, the Exam's curriculum became more comprehensive, with the inclusion of content on the IFRS norms.

Among the advantages of becoming a CPA are the enhancement of international business culture and the need for communication with foreign investors; the adoption of dozens of IFRS standards; and the

impacts – for North-American companies and its subsidiaries, the Brazilian companies listed in the North-American markets – of the effects of the Sarbanes-Oxley Law.

The Exam

The application of the Exam in Brazil began in 2012, at Prometric's training centers. The initiative created the possibility, both for Brazilian professionals residing in other South-American countries (Argentina, Venezuela and Colombia), to take the test in Brazil. The Uniform CPA Exam was already applied in Japan, Lebanon, The United Arab Emirates, Kuwait and Bahrain.

AICPA performs the international CPA Exam in partnership with the National Association of State Boards of Accountancy (Nasba) and Prometric. All qualification processes and test applications are the same for American and foreign candidates.

In order to take the Exam, it is paramount to have excellent English skills. Outside the United States, the tests are available at Prometric's training centers only in the month of February, May, August e November.



*Testimony***What is it like to be a Certified Public Accountant?**

Stela Faria – Manager of Capital Markets & Accounting Advisory Services from PricewaterhouseCoopers (PwC) Brazil

"I have the CPA certification since April, 2011. This is a very well respected certification in Brazil and abroad.

The four tests on technical aspects, plus the last test on ethics – which, in my case, was applicable because the certification was obtained in the State of California – require high knowledge of USGAAP, IFRS and, for Brazilian, fluency in English.

The certification is an exercise of discipline. I dedicated, average, six weeks of study for each test, with three to four hours on business days and 10 to 12 hours on weekends. On the days before each test, I would still take three to four hours vacations to review the content.

It is a period when your social life will be limited but, for me, the CPA demands an effort equivalent to graduate program, which may last two years, and other certifications of English proficiency, which should be updated every one to two years.

Realistically, after the CPA, at 26 years old, I got a promotion to manager at the firm and, six months later, I moved from auditing to the area of capital market and accountancy consulting. In other words, you become a distinguished professional, sought after within the market and paid for it.

Since the very beginning of my career I count with very valuable guidance: my father, Elias Cerqueira, also an accountant and auditor. He taught me that the Market is not competitive for those who have deep knowledge and qualification, on the contrary, is needy. Following this advice, the CPA can give you the technical and English certification that makes them the "white fly", as he usually says.

The test application in Brazil is an excellent opportunity for local professionals. The tests are very demanding and the level of dedication is high. Therefore, the ideal scenario is to study for each test individually, and then take the test. Before the tests were applied in Brazil, most people would take two tests at once, to take advantage of their stay in the United States, but this strategy jeopardize the candidate's success. Now, the candidate can focus on the test and does not need to book flights, or worry about the weather, visas, timing, cost, among other situations that are unpredictable in any international."



Divulgação

To qualify for the CPA Exam in Brazil, the candidates have, first, to choose an American State Board which participates in the International Application Program of the CPA Exam.

The testes, in Brazil, can be taken only in the following states: Pernambuco, São Paulo, Rio de Janeiro, Minas Gerais, Distrito Federal, Paraná and Rio Grande do Sul. The list of evaluation centers is available at Prometric's website: www.prometric.com.

Information on the qualification process and other necessary data required for registration

can be obtained at the section CPA Exam at www.nasba.org.

Interview

Tom Gerth, Senior-Manager of Capital Markets & Accounting Advisory Services da PricewaterhouseCoopers (PwC) Brazil

RBC – How long have you been a certified CPA?

Tom Gerth – In May of 2009, I was indicated by PwC EUA to participate in a workshop held by the American Institute of Certified Public Accountants (AICPA), in June of the same year, with the purpose of creating questions re-

garding the IFRS, which would be further incorporated in the CPA Exam. The experience was very interesting for the opportunity to have a direct contact with AICPA's professionals responsible for the application of the test and the chance to get a better understanding of its mechanisms.

RBC – Why include the IFRS if the USA still does not require the norms issued by the IASB?

Gerth – Even if the United States still does not require the IFRS, many international subsidiaries of North—American companies are subject to the IFRS require-

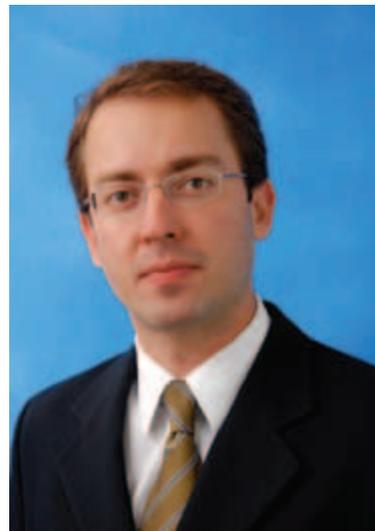
ments at its corresponding jurisdictions. Such fact requires from professional based in the US, a knowledge of the international accountancy norms, so that it is possible, for example, to adequately assess the differences among accounting demonstrations under the IFRS standard that are locally prepared by the subsidiaries and the financial information prepared under the North-American accounting standard (US GAAP) and reported by the head office.

Today, the IFRS is allowed (like the US GAAP) for foreign companies registered at the Securities and Exchange Commission (SEC) and listed in the stock market in New York (NYSE). However, US have still not defined any term for the adoption of such norms to local companies, or for their conversion to intentional accounting norms. How can this happen? There is no simple answer and this involves several issues, as the President's party, the desire and expectations of investors, market analysts etc. I would say that this adoption or conversion movement will not take place within a future period of three to five years.

RBC – For several years, you were the coordinator of the preparatory course for the CPA Exam here in Brazil. Can you explain how the experience was?

Gerth – I was, for five years, the coordinator of a preparatory course for the CPA Exam in South America. During that period, the test was still taken

only in the U.S., requiring the participants to travel. We had an average of 50 participants per year, but this number decreased when attention started to be turned to the IFRS, around 2007, and no longer to the US GAAP. With the incorporation of the IFRS to the new test, the attention turned one more time to this certification and the number of people interested on



Tom Gerth

the CPA started to grow significantly.

RBC – What are the advantages, for Brazilian professionals, of getting the CPA?

Gerth – Several. Differently than some other certifications or IFRS diplomas available in the market, which do prove the professional's knowledge, the CPA corresponds to our registration in the Conselho Regional de Contabilidade (Regional Accountancy Council) - CRC, required

from professionals in order to act as an accountant in Brazil. Similarly to the CRC, those who have the CPA may request the license to act as accountant in the U.S., opening the possibility of professional and cultural exchange with that country. Professionals who currently work in subsidiaries of American companies may have this Exchange eased, if they have CPAs. Besides, the CPA test does not only covers knowledge on accounting, but on taxes, North-American legislation, business, and auditing. In other words, it is an exam comprised of four tests, which involves a wide range of knowledge. Finally, because it is a certification that is still rare within the Brazilian market, having the CPA certification is a differential in the Brazilian labor market.

RBC – What is your opinion about the application of the CPA Exam in Brazil?

Gerth – I think is a very good idea. In February, 2011, I had the opportunity of meeting with AICPA's professional in Brazil, who evaluated this possibility, and this was made possible in a very short period of time. Now, we have a considerable number of professionals in the Brazilian companies preparing themselves for the test. I believe that the market, as a whole, is moving in this same direction. Above all, I believe that the facilitated offer of this certification to the Brazilian accounting sector, can only contribute to an even better qualification for professionals, given the test's level of difficulty.

Divulgação