



ASIC

Australian Securities & Investments Commission

REGULATORY GUIDE 154

Certificate by a qualified accountant

Related instruments [CO 01/1256]

Chapter 6D — Fundraising

Issued 17/2/2000

Amended 11/10/2001

From 5 July 2007, this document may be referred to as Regulatory Guide 154 (RG 154) or Policy Statement 154 (PS 154). Paragraphs in this document may be referred to by their regulatory guide number (e.g. RG 154.1) or their policy statement number (e.g. PS 154.1).

What this guide is about

RG 154.1 This guide explains:

- A** who we have approved as a “qualified accountant” as defined in s9 of the Corporations Law (Law) for the purposes of certifying an investor’s income and assets under s708(8)(c)

see RG 154.2–RG 154.3

[Historical note: RG 154 amended 11/10/2001 by replacing all references to [CO 00/171] with [CO 01/1256].

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A Who is a qualified accountant?

Our policy

RG 154.2 We have approved the following persons as a “qualified accountant”:

- (a) any member of CPA Australia (“CPAA”) who is entitled to use the post-nominals “CPA” or “FCPA”, and is subject to and complies with CPAA’s continuing professional education requirements;
- (b) any member of the Institute of Chartered Accountants in Australia (ICAA), who is entitled to use the post-nominals “CA”, “ACA” or “FCA”, and is subject to and complies with the ICAA’s continuing professional education requirements; and
- (c) any member of the National Institute of Accountants (“NIA”) who is entitled to use the post-nominals “PNA”, “FPNA”, “MNIA” or “FNIA”, and is subject to and complies with the NIA’s continuing professional education requirements.

[Historical note: RG 154.2 amended 11/10/2001 by replacing paras (a) and (c). Para (a) formerly read: “any member of CPA Australia (“CPAA”) who is entitled to use the post-nominals “CPA” or “FCPA”, and is subject to and complies with CPAA’s continuing professional education requirements;”. Para (c) formerly read: “any member of the National Institute of Accountants (“NIA”) who is entitled to use the post-nominals “PNA”, “FPNA”, “MNIA” or “FNIA”, and is subject to and complies with the NIA’s continuing professional education requirements.”.]

RG 154.3 Our approval is contained in [CO 01/1256].

Underlying principles

RG 154.4 A person who is approved as a qualified accountant, for the purpose of certifying that an investor has the income or assets to make a decision about an offer of securities without a disclosure document, must be an accountant who has demonstrated the professional competence and care needed to reliably make this kind of assessment.

Explanations

RG 154.5 Under s708(8)(c) a body does not need to provide a disclosure document for an offer of its securities to a person who has been certified by a “qualified accountant” as having net assets of at least \$2.5 million or gross income for the last two financial years of at least \$250,000.

RG 154.6 A “qualified accountant” is a member of a professional body that is approved by us (see s9). We consider that it is implicit in the use of the term “qualified accountant” that the people who are able to be approved under this provision must be accountants.

RG 154.7 In determining which accountants should be approved, we have taken into account the extensive consultation and research undertaken during the preparation of Class Order [CO 98/1417], *Audit relief for proprietary companies*.

RG 154.8 We believe that the preparation of a certificate under s708(8)(c) requires the same type of professional accounting expertise and skills to those which are used when compiling or auditing a financial report. For this reason we have approved for the purposes of s708(8)(c) the people who are “Prescribed Accountants” for the purposes of [CO 98/1417].

RG 154.9 We will consider whether other accountants who are members of professional bodies should be approved as qualified accountants only after undertaking consultation and research similar to that which was carried out when approving people for the purposes of that class order.

RG 154.10 Before approving other accountants, we would consider factors including the nature and extent of relevant education and experience requirements applied by the professional body, and whether the relevant professional body has appropriate and effective disciplinary procedures.

Key terms

RG 154.11 In this guide, a reference to:

“Act” means the Corporate Law Economic Reform Program Act 1999;

“ASIC” means the Australian Securities and Investments Commission;

“qualified accountant” is defined in s9 of the Law and means a member of a professional body that is approved by ASIC in writing for the purposes of that definition;

“s9” (for example) means a section of the Law;

“the Law” means the Corporations Law as amended by the Act.

Related information

RG 154.12

Headnotes

Fundraising, disclosure document, exemption, offers that do not require disclosure, qualified accountant; certificate by a qualified accountant, net assets, gross income, professional bodies, Australian Society of Certified Practising Accountants, Institute of Chartered Accountants in Australia, National Institute of Accountants

Related class orders and pro formas

[CO 01/1256], [CO 98/1417]

Legislation

Chapter 6D, s9, 708(8)(c)

Consultation papers

Fundraising: Discretionary powers

Media releases

[MR 99/247], [MR 99/303]