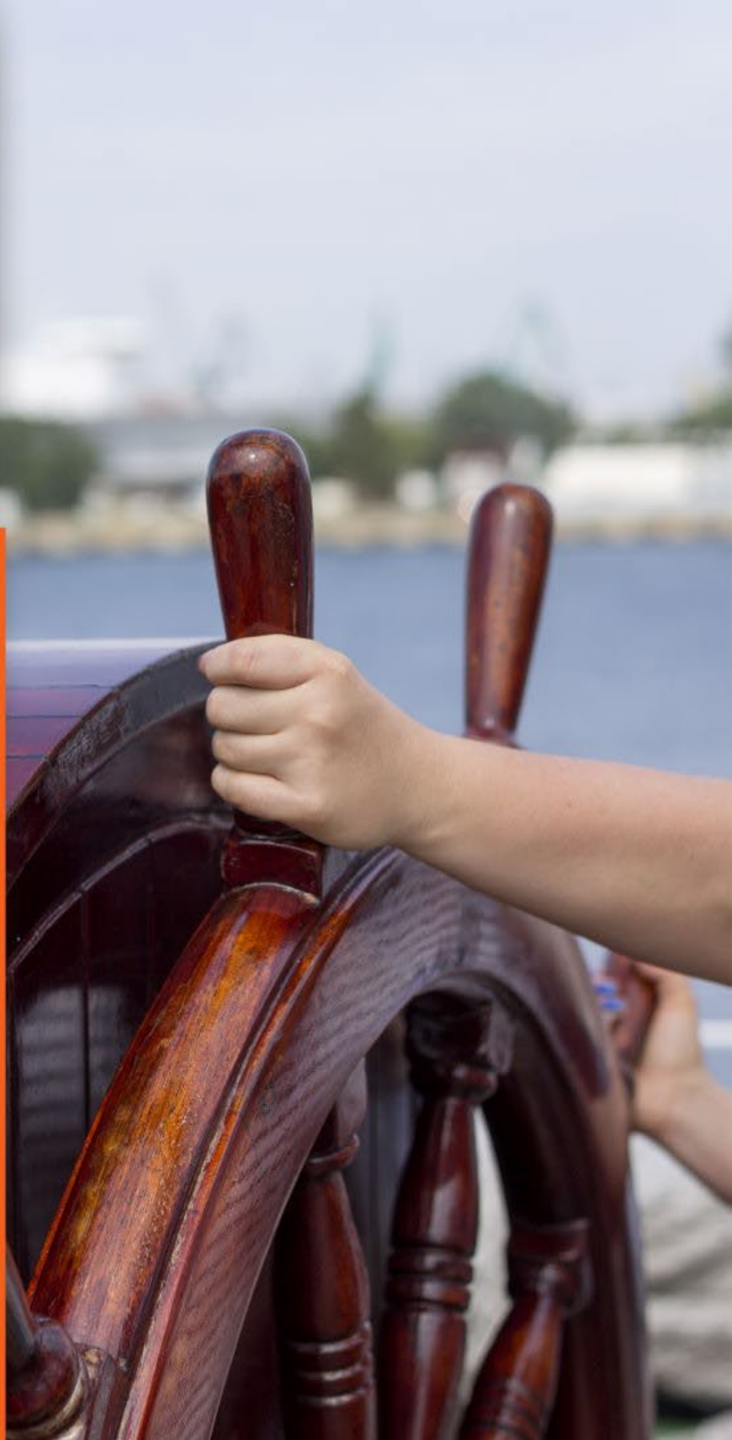
The Institute of
Chartered Accountants of India

Proposed Scheme of Education and Training (2022)



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Key Highlights

Brief history of CRET

- The constitution of Committee for Review of Education and Training (CRET) commenced in the year 1975 when Review Committee for Accounting Education was set up which submitted its report in 1978.
- Duration of last 5 CRETs:

1975-78	1985-88	1995-98	2004-08	2013-17

- Conventionally, the CRET has been constituted after a time span of approximately nine to ten years.
- The revised scheme of education and training is generally launched within approximately 3 years from the constitution of CRET.
- The Council, in March, 2021, accorded approval for formation of CRET, **at an earlier point of time, i.e., after seven years**, primarily due to the following factors –
  - Need to make the curriculum globally relevant consequent to **launch of international curriculum**;
  - Changes necessitated due to implementation of **National Education Policy, 2020.**
  - **Additional** emphasis on **Ethics and Information Technology –** Integrating With all core subjects at Final Level.
  - **Diversifying role** of Chartered Accountants.

Modus Operandi & Focus Areas

Modus operandi adopted by the CRET:-

- **Identification of areas** to be addressed in the New Scheme of Education and Training.
- Requirements under **International Education Standards** (IESs).
- Study and incorporation of the significant features of **National Education Policy, 2020.**
- Best practices of scheme of education and training of **International Accountancy Bodies**.
- Analysis of probable impact of changes in curriculum on **current MRA/MOU with International Accountancy Bodies**.
- **Incorporation of suggestions emerging out of discussions** at high level meetings of groups of CRET.

Important Focus areas identified for Way Forward:-

- Requirement for change in **manner of learning.**
- Honing of **Interpretational skills**.
- **Duration** of the course.
- **Internationalization** of the CA Course**.**
- **Futuristic outlook** in the Scheme of Education and Training**.**
- Higher Degree of **Industry Orientation**.
- **Integration of Ethics.**
- **Intermittent Success Route.**

Proposed Examination and Training Life Cycle

Register for Foundation after passing Class 10 (registration valid for 4 years)

→ Appear for Foundation Examination after appearing for 10+2 examination and completion of 4 months from registration (passing marks 50% in each paper)

→ Register for Intermediate Course after passing Foundation Examination / graduate or post-graduate with requisite marks (registration valid for 5 years + 5 years with revalidation)

→ Registration for Intermediate Course would also be treated as registered for Business Accounting Associate (BAA)

→ Appear for Intermediate Examination (6 papers – 2 groups) after completion of study period of 8 months (passing marks 40% in each paper and 50% in each group)

→ Pass both groups of Intermediate Examination, complete integrated course on Information Technology and Soft Skills and commence articleship

→ Register for Final Course and registration valid for 10 years which can be revalidated after every 10 years

→ Articleship period will be 2 years of which 2nd year can be for industrial training (eligible leave 24 days for 2 years)

→ Undergo Advanced Integrated Course on Information Technology and Soft Skills Course, pass self paced online modules and Complete articleship before appearing in Final Examination

→ Appear for Final examination (6 papers – 2 groups) after and completion of 6 months from end of articleship (passing marks 40% in each paper and 50% in each group)

If unsuccessful, apply for Business Accounting Associate

→ A candidate getting exemption in any paper will need to pass the remaining papers within the next 3 attempts. The exemption can be availed further subject to passing marks of 50% in each paper

→ Pass both groups of Final Examination and apply for ICAI membership. To apply for Certificate of Practice undergo 1 year work experience under a fellow CA in practice

Training period

	Aspect	Current Scheme	Proposed Scheme
A	Total number of days of training	1095 (365 X 3)	730 (365 X 2)
B	Leaves permitted	156 leaves (1095 X 1/7th days)	24 leaves (12 per year)
C	No of Sundays (52 in a year)	156 (52X 3)	104 (52X 2)
D	No. of Gazetted Holidays (Approx 15 in a year)	45 (15X3)	30 (15X2)
E	Paid leaves for Advance ITT and MCS	30	0*
F	Effective days of Training [Total of A – (B+C+D+E)]	708=[1095 –(156+156+45+30)]	572 =[730-(24+104+30+0)
	Difference between period of training under Current and Proposed Scheme		**136 days (708-572)**
	* Advanced ITT and MCS can be done after completion of Training under Proposed Scheme		

- Focused and seamless training is being introduced under Proposed Scheme as students will be enrolling for the training after completion of Intermediate Course. In the Current Scheme, student can commence training after passing either of the Groups of Intermediate Course. In case of students being unsuccessful at Intermediate exam, more preparatory leaves are availed.
- Student will be appearing in the Final examination after completion of 6 months from end of Practical Training, whereas, in the Current Scheme, student can appear in the Final examination after completion of 2 ½ year of practical training.
- No preparatory leaves are required as Training would be examination free in the Proposed Scheme.
- In the Proposed Scheme, though number of days of training will be reduced to a certain extent, however, the training will be continuous and more effective because students have already passed both the Groups of the Intermediate and will be appearing in the Final examination after completion of training.

Roadmap to become a CA

Activity	Current Scheme	Proposed Scheme
Registration for Foundation / appear for 10+2	Start	Start
Appear for Foundation Examination	4 months	4 months
Study for Intermediate Examination	8 months	8 months
Articledship	36 months	24 months
Study for Final Examination	-	6 months
Total period to become ICAI member	48 months	42 months
Work experience for applying CoP	-	12 months

The above neither includes time taken for declaration of results nor waiting time before next exam falls due. However, with the proposal to conduct online examination and / or more than 2 exams in a year, the time for results or next exam due would come down.

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Subject Papers

Comparison

Existing	Proposed
Foundation	**Foundation**
4 Papers	4 Papers
Intermediate	**Intermediate or Equivalent Level**
Group I- 4 Papers / Group II- 4 Papers	Group I- 3 Papers / Group II- 3 Papers
	Introduction of Self-paced Online Modules - 4
Final	**Final or Equivalent Level**
Group I- 4 Papers / Group II- 4 Papers	Group I- 3 Papers / Group II- 3 Papers

Foundation Level Papers

Proposed	Current
Paper -1 : Accounting	Paper -1 : Principles and Practice of Accounting
Paper -2 : Business Laws	Paper -2 : Business Laws and Business Correspondence and Reporting
Paper -3 : Quantitative Aptitude ▪ Business Mathematics ▪ Logical reasoning ▪ Statistics	Paper -3 : Business Mathematics and Logical Reasoning and Statistics
Paper -4 : Business Economics	Paper -4 : Business Economics & Business & Commercial Knowledge

- **Paper -1**: A portion from the subject "Accounting" at the Intermediate level in the current CA course would be included in the proposed scheme so as to increase the standard of the Foundation level.
- **Paper -2**: Business Correspondence and Reporting is not being separately included in the new course. Instead, to facilitate students with the requisite communication skills, an online course would be launched on English/Business communication, which would be recommendatory.
- **Paper -2:** A dedicated 100 marks descriptive paper against 60 marks paper (in the current CA course) is proposed for "Business Laws", which would help assess communication skills in addition to understanding laws.
- **Paper -4 :** A dedicated 100 marks paper as against 60 marks paper (in the current CA course) on "Business Economics" will include topics from the subject "Economics from Finance" at the Intermediate level in the current CA course.
- **Paper -4 :** Students would get exposure of Business and Commercial Knowledge as part of their practical training in a more integrated manner and is therefore excluded in the new course.

Intermediate Level Papers

<table>
<tr><th>Proposed</th><th>Current</th></tr>
<tr><td rowspan="2">Paper -1 : Advanced Accounting</td><td>Paper -1 : Accounting</td></tr>
<tr><td>Paper -5 : Advanced Accounting</td></tr>
<tr><td>Paper -2 : Corporate laws</td><td>Paper -2 : Corporate and other laws</td></tr>
<tr><td>Paper -3 : Cost and Management Accounting</td><td>Paper -3 : Cost and Management Accounting</td></tr>
<tr><td>Paper -4 : Taxation</td><td>Paper -4 : Taxation</td></tr>
<tr><td>Paper -5 : Auditing and Code of Ethics</td><td>Paper -6 : Auditing and Assurance</td></tr>
<tr><td rowspan="2">Paper -6A : Financial Management (50 Marks)
Paper -6B: Strategic Management (50 Marks)</td><td>Paper -7: Enterprise Information Systems & Strategic Management</td></tr>
<tr><td>Paper -8 : Financial Management & Economics for Finance</td></tr>
</table>

- Instead of two papers on accounting (in the current CA course) there would be a single paper “Advanced Accounting”. However, there will be no reduction in the content which is covered in two papers in the present scheme vis-à-vis one paper in the proposed scheme (some portion will be moved to Foundation level).
- The paper on “Corporate Laws” would cover The Companies Act in its entirety, since “Business Laws” is already covered at Foundation level through a 100 mark paper.
- Instead of a paper on “Enterprise Information Systems” at this level, information technology education is being integrated with subjects at the Final level.

Self-Paced Online Modules

Self-paced online learning modules encompassing different fields are being introduced which **students can learn and qualify at their own pace *<u>after qualifying Intermediate examination and before writing Final examination</u>***. *Such creative combination of disciplines would inculcate cross-disciplinary thinking and facilitate innovative reasoning.*

Set A (compulsory)	Set B (compulsory)	Set C (any one to be selected)	Set D (any one to be selected)
<u>Economic Laws</u> 1. Foreign Exchange Management Act, 1999 2. Insolvency and Bankruptcy Code, 2016 3. Prevention of Money Laundering Act, 2002 4. Competition Act, 2002 5. Securitisation and Reconstruction of Financial Assets 6. Enforcement of Security Interest Act, 2002 7. Real Estate (Regulation and Development) Act, 2016 8. Prohibition of Benami Property Transactions Act, 1988	**<u>Strategic Cost Management and Performance Evaluation</u>**	**<u>Specialisation Elective</u>** 1. Risk management 2. Integrated and Sustainability Reporting 3. Government Accounting and Public Finance 4. Introduction to Digital Ecosystem and Transformation 5. International Taxation 6. Arbitration, Mediation and Conciliation 7. Forensic Audit 8. Financial Services and Capital Markets 9. Valuation 10. Forex and Treasury Management	**<u>Incorporating Multi-disciplinary approach envisaged in NEP, 2020</u>** 1. Constitution of India 2. Psychology (including self-awareness) 3. Entrepreneurship (to include MSMEs & Start ups) 4. Communication (to include advocacy) 5. Philosophy

Final Level Papers

Proposed	Current
Paper -1 : Financial Reporting	Paper -1 : Financial Reporting
Paper -2 : Advanced Financial Management	Paper -2 : Strategic Financial Management
Paper -3 : Advanced Auditing & Professional Ethics	Paper -3 : Advanced Auditing and Professional Ethics
Under Self-Paced Online Mandatory Module	Paper -4: Corporate and Economic Laws
Under Self-Paced Online Mandatory Module	Paper -5: Strategic Cost Management and Performance Evaluation
Paper -4 : Direct Tax Laws and International Taxation	Paper -7 : Direct Tax Laws and International Taxation
Paper -5 : Indirect Tax Laws	Paper -8 : Indirect Tax Laws

- Ethics and Information Technology to be integrated with the curriculum of all subjects at the Final Level.

Final Level Papers

Proposed	Current
Paper -6 : Integrated Business Solutions (Multi-disciplinary case study with Strategic Management)	Paper -6 : Electives (1 out of 6)
	Paper -6A : Risk Management
	Paper -6B: Financial Services and Capital Markets
	Paper -6C : International Taxation
	Paper -6D : Economic Laws
	Paper -6E : Global Financial Reporting Standards
	Paper -6F : Multidisciplinary Case Study

- Multi-disciplinary case study is being made compulsory, and the same would be integrated with strategic management. This paper is necessary to assess the student's ability to integrate the concepts and provisions across different subject areas, analyse them and apply them in addressing issues and solving problems in a multi-disciplinary case study involving strategic decision making.
- The current elective papers like risk management and financial services and capital markets would be included in self-paced online module [SET C], out of which students can opt one based on their desired area of specialisation.

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Admission & Examinations

Foundation Level

Aspect	Proposed	Existing
Eligibility for admission	Register with BoS after passing class 10 examinations.	Register with BoS after passing class 10 examinations.
Validity of registration	4 years from the date of registration.	No Restrictions
Eligibility for appearance in examination	Appear in Foundation examination after appearing in class 12 examination and completing minimum study period of 4 months before the 1st day of the month in which examination is held.	Appear in Foundation examination after appearing in class 12 examination and completing minimum study period of 4 months before the 1st day of the month in which examination is held

- If a candidate is not able to clear Foundation Exam within 4 years of registration, he can opt for alternative route of direct entry to Intermediate Course subject to fulfilling stipulated conditions.
- Four Months Study Period has been specified and cut-off dates i.e. 1st January and 1st July have been removed. This will also enable holding of Foundation Exams more than two times in a year.

Intermediate Level

Aspect	Proposed	Existing
Eligibility for admission	A student who has passed CA Foundation and class 12th Examination. **Direct Entry Route:** Commerce Graduates / Post-Graduates (with minimum 55% marks) or Other Graduates / Post-Graduates (with minimum 60% marks) or Intermediate level passed candidates of Institute of Company Secretaries of India and Institute of Cost Accountants of India.	A student who has passed CA Foundation and class 12th Examination. **Direct Entry Route:** Commerce Graduates / Post-Graduates (with minimum 55% marks) or Other Graduates / Post-Graduates (with minimum 60% marks) or Intermediate level passed candidates of Institute of Company Secretaries of India and Institute of Cost Accountants of India.
Validity of registration	5 years. Re-validation with prescribed fee permitted once.	4 years. Revalidation permitted without restriction.
Eligibility for appearance in examination	**Foundation or Direct Entry Route:** 8 months study period.	**Foundation Route:** 8 months study period as decided by the Council. **Direct Entry Route:** After completion of 9 months of Practical Training.

- In case of graduates/ post-graduates, students can provisionally register in the Final year of graduation/ post-graduation and the 8 months study period would be counted from the date of provisional registration. They should have, however, passed graduation/ post graduation, as the case may be, with prescribed minimum marks, at the time of making an application for appearing in Intermediate examination.

Final Level

Aspect	Proposed	Existing
Eligibility for admission	A student who has passed both groups of Intermediate Examination and completed Integrated Course on Information Technology and Soft Skills.	A student who has passed both groups of Intermediate Examination and completed Integrated Course on Information Technology and Soft Skills.
Validity of registration	10 years. Re-validation with prescribed fee permitted.	No Restrictions
Eligibility for appearance in examination	▪ Completed Advanced ICITISS Course (Advanced IT and MCS). ▪ Completed 6 months after the completion of practical training before the 1st day of month in which examination is held. ▪ Qualified the four self-paced online modules.	▪ Completed Advanced ICITISS Course (Advanced IT and MCS). ▪ Completed 2.5 years of Practical Training

Other examination aspects

Aspect	Proposed / Existing	Foundation	Intermediate	Final
Number of papers	Proposed	4 papers	6 papers (2 groups of 3 papers each)	6 papers (2 groups of 3 papers each)
	Existing	4 papers	8 papers (2 groups of 4 papers each)	8 papers (2 groups of 4 papers each)
No. of Examinations in a Year	Proposed	2 (to be increased to 3 after systems are in place)	2 (to be increased to 3 after systems are in place)	2 (to be increased to 3 after systems are in place)
	Existing	2	2	2
Medium (Language)	Proposed	English or Hindi	English or Hindi	English or Hindi
	Existing	English or Hindi	English or Hindi	English or Hindi

Other examination aspects

Aspect	Proposed / Existing	Foundation	Intermediate	Final
Manner of assessment	Proposed	Partly Subjective and Partly Objective (with negative marking of 25% for each wrong answer to MCQs)	30% case scenario / study based MCQs and 70% descriptive questions in all papers with negative marking of 25% for each wrong answer to MCQs.	• 30% case scenario / study based MCQs and 70% descriptive questions in all papers with negative marking of 25% for each wrong answer to MCQs. • Open book/Restricted open book pattern of assessment.
	Existing	Partly Subjective and Partly Objective	• 30% MCQs / Case Scenario based and 70% descriptive questions in select papers (theory). • No negative marking.	• 30% MCQs / Case Scenario based and 70% descriptive questions and closed book in select papers. • No negative marking.

- Negative marking would prevent students from resorting to guess work while answering questions. They would strive to improve their preparation and hone their application skills in order to answer correctly in the MCQ based papers.

Other examination aspects

Aspect	Proposed / Existing	Foundation	Intermediate	Final
Pass percentage	Proposed	50% in each paper	40% marks in individual paper and 50% marks in aggregate to pass the group.	40% marks in individual paper and 50% marks in aggregate to pass the group.
	Existing	40% in each paper and 50% in aggregate (with negative marking)	40% marks in individual paper and 50% marks in aggregate to pass the group.	40% marks in individual paper and 50% marks in aggregate to pass the group.
	Proposed	For Self-paced online modules the minimum marks for passing in each module would be 50%.		

Other examination aspects

Aspect	Proposed / Existing	Intermediate and Final
Exemption	Proposed	▪ If student secures 60% or more in paper/s in one attempt, exemption of paper(s) for immediate 3 attempts is allowed. ▪ Thereafter, exempted paper/s will be treated as permanently passed and student has to score 50% to pass in the remaining paper/s individually. Student may, however, opt to surrender the exemption after three attempts.
	Existing	If student secures 60% or more, in paper/s in one attempt, exemption of such paper(s) for immediate 3 attempts is allowed and thereafter exemption will lapse.

- Exemption obtained in any paper would not lapse even after three attempts. However, the candidate would be required to score 50% each in the remaining paper(s) (instead of 40% marks in individual paper and 50% marks in aggregate, as at present). Student may, however, opt to surrender the exemption after three attempts.

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Other Aspects

Practical Training

Aspect	Proposed	Existing
Commencement of Practical Training	**Foundation Route and Direct Entry Route:** After passing both the groups of Intermediate and completion of ICITSS	**Foundation Route:** After passing either or both the groups of Intermediate and completion of Integrated Course on Information Technology and Soft Skills (ICITSS). **Direct Entry Route:** After registration in Intermediate Course and completion of ICITSS Course.
Duration	Two years	Three years
Leave	12 leaves in a year	1/7th of the period of Practical Training

- Practical Training to commence only after passing both the groups of Intermediate in order to have exam free and seamless effective training, where a student can focus completely on his practical training.
- In order to ensure seamless and focussed practical training, the period of training would be an examination free period of two years. The student can appear in Final examination after completion of 6 months from the end of practical training period.
- Since there will be no exams during the two years of practical training, therefore, number of leaves have been restricted to 12 days in a year.

Practical Training

Aspect	Proposed	Existing
Industrial Training	Last 9 to 12 months of the Practical Training	Last 9 to 18 months of the Practical Training
Transfer	During the second year of training, the termination of articles shall be permitted if the articled assistant opts for industrial training or under such exceptional circumstances or conditions, as may be decided by the Council.	Articles so engaged may, by agreement between the articled assistant and his principal, be terminated under such exceptional circumstances or conditions, as may be decided by the Council
Stipend	There has been 100 per cent increase in the stipend presently paid to the articled assistants.	Existing slab has been indicated in the table beneath Regulation 48(1)

- Consequent to the changes in duration of the practical training, industrial training would be permitted in the last leg of practical training for a period of 9 months to 12 months.
- Since industrial training is permitted in the last 9 – 12 months of practical training period of two years, the requirement for transfer has been accordingly modified.

IT Trainings and Soft Skill Courses

Aspect	Proposed	Existing
Eligibility Criteria	**ICITSS:** Before Commencement of Practical Training. **AICITSS:** During the two years of Practical Training and before appearing in Final Examination.	**ICITSS:** Before Commencement of Practical Training. **AICITSS:** During the last two years of Practical Training and before appearing in Final Examination.
Levels of the Courses	Two – ICITSS & AICITSS	Two – ICITSS & AICITSS
Duration	As decided by the Council from time to time	As decided by the Council from time to time
Manner of Conducting the Courses	As decided by the Council from time to time	As decided by the Council from time to time

Exit Route - Business Accounting Associate (BAA)

Aspect	Proposed	Existing
Eligibility Criteria	A candidate would be awarded the certificate of Business Accounting Associate (BAA) on fulfilment of following criteria – (a) If he has passed both groups of intermediate level examination. (b) Completed his practical training, (c) Completed the soft-skills and information technology courses (d) Qualified the four self-paced learning modules	A candidate, who has opted for the Accounting Technician level, shall be declared to have passed in that level, if he - (a) passes either of Groups; (b) completes the Orientation Course for such period and in such manner and within such time as may be specified by the Council from time to time; and (c) completes the practical work experience in accounting and related fields for a period not less than twelve months in such manner as may be specified by the Council from time to time.

- A BAA certificate holder would **possess the requisite accounting and technology skills** since he would have qualified both groups of the intermediate examination; undergone the stipulated two years articleship training; completed the soft-skills and information technology courses **and** qualified the four self-paced online modules. This would cater to the needs of the industry by providing quality accounting and financial support staff and help the student in building his career.

Certificate of Practice

Aspect	Proposed	Existing
Eligibility Criteria	▪ A member desiring to obtain Certificate of Practice (CoP) **at any point of time** would have to ***undergo one year of post-qualification experience in a CA firm***. ▪ In case of existing members, the requirement would be treated as having complied with if they have one year of post qualification experience in a CA firm at any point of time in the ***last 5 years***.	No specific requirement

- A one year post qualification experience is mandated for those applying for COP. Also, members who are in industry and desire to shift to practice would also be required to have a one year experience in a CA firm before they apply for COP.
- This is to ensure that they acquire the requisite professional skills required to undertake practice, especially in relation to provisions of law and standards, when they desire to opt for practice.

International Curriculum

Aspect	Proposed	Existing
Eligibility Criteria	▪ To build global ready chartered accountants by equipping them with the requisite competencies. ▪ Taking brand India and ICAI across the globe by launching the International Curriculum, especially where no professional accounting body exists or where accountancy profession is in the nascent stages of development. ▪ International Curriculum of ICAI, with its distinguished features, envisages positioning CA qualification of ICAI as a global qualification to meet the demand for accountancy professionals outside India. • Common Curriculum for domestic and international students, with the exception of country specific papers. • Virtual Soft Skills and Information Technology Training • Candidate residing outside India may undergo Practical Training under eligible Members of Accounting Bodies outside India recognized by the International Federation of Accountants (IFAC).	No specific requirement

Important links and contacts

Gazette notification

https://resource.cdn.icai.org/70622council56556.pdf

Announcement

https://www.icai.org/post/inviting-public-comments-on-the-proposed-scheme-of-education-and-training

Online feedback

https://boscret.icai.org/

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Thank You!

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