



Consiglio Nazionale
dei Dottori Commercialisti
e degli Esperti Contabili



Congress

University of Wollongong Australia

November 5th 2018

Comparison of accounting
professionals in Australia and Italy:

CPA vs Dottore Commercialista

AUSTRALIA



Legal system (1/2)

Australia is a Country part of *Commonwealth*



COMMON LAW

Law made basically of *behaviors*:

- 1) consolidated
- 2) considered **binding** (*psychological* element)



focus on legal precedents



AUSTRALIA



Legal system (2/2)

An example is **fiscal residence**, as in Australia is considered resident a person who:

- stays regularly in Australia, or
- has his *domicile* in the Country, unless the place of usual residence is abroad, or
- lives in Australia, continuously or not, at least for half the fiscal year (July 1st - June 30th), unless the place of usual residence is abroad.

Aside from the existence of a place of usual residence in another Country – fact that removes alone the possibility of being resident in Australia – to settle the matter it's important to understand whether an individual *is willing* to stay in the Country (he is working in Australia, he's bought a house ...) even expressing it clearly.

Relevance of facts and concrete elements on a case-by-case basis

ITALY



Legal system

Typical system of **CIVIL LAW**, based on codified laws



even if ...

Sort of *hybridisation* caused by:

- artt. 1, 8 of Preleggi to the Civil Code
- increasing importance of Supreme Court pronunciations (fiscal sector in particular)

AUSTRALIA



Fiscal system (1/2)

The tax jurisdiction is divided into 2 systems, each one with authority on specific kind of revenues



FEDERAL

Ruled by federal government, concerning:

- income tax
- indirect taxation on sales of goods and services
- import and excise duties

LOCAL

Applied by single States on:

- wage taxes
- real estate tax
- stamp duty
- other indirect taxes

AUSTRALIA



Fiscal system (2/2)

Tax payers are given a *Tax File Number* (TFN) by **Australian Taxation Office** (ATO), in order to comply with fiscal duties (being identified and able to pay taxes) as well as manage government services (health, education, welfare ...).

ATO handles each and every aspect related to taxes: it receives payments and tax returns, checks the accuracy of compliance obligations and, if needed, impose penalties for mistakes or frauds.

Australian fiscal system is based on self-assessment, as taxpayers have all burdens established in order to comply with the law (no forms of pre-filled reports are used).



home made operations are not recommended !!!

ITALY



Fiscal system

Depending on the type, fiscal revenues are collected by:

- the **State** Inland Revenue (direct and indirect taxes, VAT ...)
- **Regions** (IRAP, regional additional charge)
- departments of single **Towns** (property tax, local additional charge)

In this regard Italy has a very complex system, made of a huge number of regulations – not always perfectly coordinated the one with the other – that make it hard to manage the correct fulfillment of obligations for taxpayers.

The Italian fiscal system is also based on self-assessment; however in the last few years a new way of relating between people and the Inland Revenue (*Agenzia delle Entrate*) is taking root, based on the effort to give taxpayers – for the moment it's limited to *employees* – a complete tax return, filled out by the same Inland Revenue that has knowledge of *incomes* and *benefits* (deductions and detractions) referred to individuals, thanks to the process of data crossing.

AUSTRALIA



Professionals (1/2)

Accountants in Australia – as mainly everywhere – are qualified to work with accounting software and spreadsheets, even if there are a lot more areas they can be specialised in.

In order to become an accountant you need to hold a tertiary qualification (degree or postgraduate award), do a period of apprenticeship and eventually succeed the qualifying examination.

Australia's accounting industry is regulated and accredited by three professional accounting bodies, each of which qualifies a different kind of professional:

Chartered Accountants (CA): Institute of Chartered Accountants of Australia (ICAA) trains accountants that deal with issues of *Business & Finance* (accounting, auditing, tax etcetera), professionals whose outline is known worldwide;

Public Accountants (MIPA): Institute of Public Accountants of Australia (IPA) provides a globally recognised postgraduate education, a program resulting in the award of a Graduate Certificate in Public Accounting;

Certified Practising Accountant (CPA): CPA Australia (CPA) is the authority appointed for Certified Practicing Accountants, professionals similar to previous counterparts but somehow different, particularly in terms of specialisations.

AUSTRALIA



Professionals (2/2)

Accountants in general – no matter their specific qualification – carry out activities linked to the *analysis*, *evaluation* and *report* on legal and financial matters for organizations, businesses and individuals, providing advices on several areas of interest and examining data (profits and loss statements, budgets, financial statements and so on).

Certified Practicing Accountants are the kind of consultants more involved in making key business decisions as part of a strategic team, giving **in-house advices** on subjects tightly linked to added value, as for example:

- strategic planning
- innovation processes
- costing
- marketing

Highly specialized consultancy with placement in the middle of the value chain

ITALY



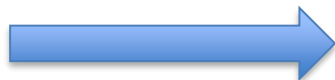
Professionals

The accounting profession in Italy is currently *not closed*, as everyone can give advices even license-less; however, in order to perform some kinds of activity it's required to be provided with a professional license (auditing, evaluations, dispatch of tax returns ...).

To become an accountant it's mandatory to hold a 5 years degree as well as conclude a 18 months internship, before passing the qualifying examination thus becoming **Dottore Commercialista**.

The national accounting body (CNDCEC) has local branches that deals with membership affairs like education (not lower than a minimum of hours yearly), search for collaborators and trainees, collecting annual fees etcetera.

Dottore Commercialista's skills and fields of expertise may vary a lot, even if generally – and increasingly in the last few years – accountants are required to manage with *administrative issues*, as laws provides a huge number of documents and statements to be sent to the Inland Revenue by firms and professionals working in the Country.



consultancy mainly *external*

Mutual admission of professional practice

Both Countries make it possible to have recognised (fully or partially, depending on the case) the qualification and the job title for professionals.

ITALY

Accountants and auditors of foreign Countries – even out of the EU – may apply in order to be enabled to practice in Italy (DPR 394/1999, Directive 2005/36/CE, D.Lgs 206/2007); wherever the examination of the application for recognition made not clear knowledge of essential subject it could be needed for the candidate to test his skills in an exam, unless he could prove his working experiences.

AUSTRALIA

In general, recognition depends on several aspects (kind of qualification/profession, reason for the application ...) and it's not quite easy to find a one-way solution. The most frequent approach goes through a specific *assessment* by the competent authority for each profession, which sets up rules and requirements for the purpose of verifying and evaluate applicants. However, more than qualification it's primarily important to have experience on the field you want to work in.

The main issue, of broad interest, is yet related with work visa, compulsory in order to work for a period of time not provisional, for which professional recognition is often critical.

Thanks for your attention !



This document is available according to «Licenza Creative Commons Attribuzione - Non commerciale - Non opere derivate 3.0 Italia (CC BY-NC-ND 3.0 IT)». More information and the full text of the license are available at the following link:
<https://creativecommons.org/licenses/by-nc-nd/3.0/it/>