

## **J.A. SISON, PETITIONER, VS. THE BOARD OF ACCOUNTANCY AND ROBERT ORR FERGUSON, RESPONDENTS.**

*G.R. No. L-2529. December 31, 1949*

Ponente: TORRES, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/be2ea3d22042/>

---

### **TORRES, J.:**

In his petition for certiorari against the Board of Accountancy and Robert Orr Ferguson, J. A. Sison prays that this Court render judgment "ordering the respondent Board of Accountancy to revoke the certificate issued to Robert Orr Ferguson, a British subject admitted without examination because there does not exist any reciprocity between the Philippines and the United Kingdom regarding the practice of accountancy."

Upon perusal of the pleadings and for a clear understanding of the issue raised by petitioner the following facts, which we believe are not disputed, shall be stated:

Pursuant to the provisions of Act No. 3105 as amended by Commonwealth Act No. 342, several persons, British subjects, and the possessors of certificates as chartered accountants issued by various incorporated private accountants' societies in England and other parts of the British Empire, were, without examination, granted by the respondent Board of Accountancy, certificates as public accountants to practice their profession in this jurisdiction. The respondent Robert Orr Ferguson was granted certificate No. 713-W on January 14, 1939 pursuant to resolution No. 24 of the Board of Accountancy, series of 1938.

Subsequently, the Board of Accountancy, upon the examination of the case of those British accountants who were registered as certified public accountants without examination, came to the conclusion that, there being no law which regulates the practice of accountancy in England, and that the practice of accountancy in said country being limited only to the members of incorporated private accountants' societies, the certificates issued by the institute of chartered accountants and other similar societies in England and Wales cannot be considered on a par with the public accountants' certificates issued by the Philippine Board of Accountancy, which is a government entity. In view thereof, the respondent Board of Accountancy "resolved to suspend, \* \* \* the validity of the C.P.A. certificates of the above-mentioned candidates pending the final revocation thereof should they fail to prove to the satisfaction of the Board within sixty days' notice that: (a) Filipinos are allowed to take the professional accountant examination given by the British government, if any, and (b) Filipino certified public accountants can, upon application, be registered as chartered accountants or granted similar degrees by the British Government." (Annex B.)

Such action of the Board of Accountancy was based on an opinion rendered by the Secretary of Justice, on October 1, 1946 (Annex A), to the effect that the certificate issued by the Institute of Chartered Accountants in England and Wales does not meet the requirement of section 41 of Rule 123 of the Rules of Court and that the negative statement therein, as quoted above, does not establish the existence of reciprocity, which induced the board to hold that the registration, without examination, of those British subjects as certified public accountants, is in accordance with the provisions of section 12 of Act No. 3105 as amended by Commonwealth Act No. 342.

However, the Secretary of Justice, answering a query from the Secretary of Finance, in an opinion rendered on February 10, 1947 "on the legality of the suspension or revocation" of the certificates issued to those British subjects as contemplated in resolution No. 5, series of 1946 of the Board of Accountancy, was of the opinion that the board may not suspend or revoke the certificates previously granted to the ten British accountants herein involved, including respondent Robert Orr Ferguson, because such action is in contravention of section 13 of Act No. 3105 as amended which explicitly provides that the suspension or revocation of a certificate issued under the said Act may be done by the board for unprofessional conduct of the holder or other sufficient cause. The Secretary of Justice further said that he believes that "the change in administrative interpretation with respect to the existence of reciprocity between the Philippines and Great Britain as to the practice of accountancy," does not constitute sufficient cause for the suspension or revocation of the certificates in question within the meaning of said provision. The opinion of the Secretary of Justice further said that if those certificates were issued to those British persons on the assumption that there is "reciprocity between Great Britain and the Philippines as to the practice of certified public accountancy in the Philippines" a change of administrative interpretation is not favored (42 Am. Jur., 412). While in the instant case the public policy with respect to the practice of foreign accountants in this country remains unchanged, the action intended by the Board of Accountancy, to suspend or revoke the certificates already issued to such persons must be based on some other grounds, such as ignorance, incapacity, deception or fraud on the part of the holder of the certificate.

In the light of the above, the petitioner brought this action mainly on the ground that there is no reciprocity "between the Philippines and the United Kingdom" as regards the practice of the profession of certified public accountant, because the certificate submitted by respondent Robert Orr Ferguson "is not a public or official record, and does not meet the requirements of section 41, Rule 21 [123] of the Rules of Court." And that furthermore, the negative statement that "there is nothing in the laws of the United Kingdom to restrict the right of a Filipino certified public accountant to practice as professional accountant therein," does not establish the existence of reciprocity.

Section 12 of Act No. 3105, as amended, reads:

"SEC. 12. Any person who has been engaged in the professional accountancy work in the Philippine Islands for a period of five years or more prior to the date of his application, and who holds certificates as certified public accountant, or as chartered accountant, or other similar certificates or degrees in the country of his nationality, shall be entitled to registration as certified public accountant and to receive a certificate of registration as such certified public accountant from the Board, Provided such country or state does not restrict the right of Filipino certified public accountants to practice therein or grants reciprocal rights to Filipinos, and provided that application for their registration shall be filed with the Board not later than December 31, 1938."

From the text of the above-quoted section 12 of the Accountancy Law, it is inferred that the registration as certified public accountant and the issuance of the corresponding certificate as such certified public accountant, to a person who for five years has been engaged in professional accountancy work in the Philippines and is a holder of a certificate as certified public accountant, or as a chartered accountant, or other similar degrees in the country of his origin, is predicated on the fact that the country of origin of such foreign applicant (a) "does not restrict the right of Filipino certified public accountants to practice therein," (b) "grants reciprocal rights to Filipinos," and (c) the application for registration "be filed with the Board not later than December 31, 1938."

In the case at bar, while the profession of certified public accountant is not controlled or regulated by the Government of Great Britain, the country of origin of respondent Robert Orr Ferguson, according to the record, said respondent had been admitted in this country to the practice of his profession as certified public accountant on the strength of his membership of the Institute of Accountants and Actuaries in Glasgow (England),

incorporated by Royal Charter, 1855. The question of his entitlement to admission to the practice of his profession in this jurisdiction, does not, therefore, come under reciprocity, as this principle is known in International Law, but is included in the meaning of comity, as expressed in the alternative condition of the proviso of the above quoted section 12 which says: such country or state does not restrict the right of Filipino certified public accountants to practice therein.

"Mutuality, reciprocity, and comity as bases or elements.—International Law is founded largely upon mutuality, reciprocity, and the principle of comity of nations. Comity, in this connection, is neither a matter of absolute obligation on the one hand, nor of mere courtesy and good will on, the other; it is the recognition which one nation allows within its territory to the acts of foreign governments and their tribunals, having due regard both to international duty and convenience and to the rights of its own citizens or of other persons who are under the protection of its laws. The fact of reciprocity does not necessarily influence the application of the doctrine of comity, although it may do so and has been given consideration in some instances." (30 Am. Jur., 178; *Hilton vs. Guyot*, 159 U.S., 113, 40 Law. ed., 95; 16 S. Ct., 139.)

In *Hilton vs. Guyot* (supra), the highest court of the United States said that comity "is the recognition which one nation allows within its territory to the legislative, executive, or judicial acts of another nation, having due regard both to international duty and convenience, and to the rights of its own citizens or of other persons who are under the protection of its laws." Again, in *Bank of Augusta vs. Earle*, 38 U. S., 13 Pet. 519, 589, Chief Justice Taney, speaking for the court while Mr. Justice Story—well-known author of the treatise on Conflict of Laws—was a member of it, and largely adopting his words, said:

"\* \* \* It is needless to enumerate here the instances in which by the general practice of civilized countries, the laws of the one will, by the comity of nations, be recognized and executed in another, where the rights of individuals are concerned \* \* \* The comity thus extended to other nations is no impeachment of sovereignty. It is the voluntary act of the nation by which it is offered, and is inadmissible when contrary to its policy, or prejudicial to its interest. But it contributes so largely to promote justice between individuals, and to produce a friendly intercourse between the sovereignties to which they belong, that courts of justice have continually acted upon it, as a part of the voluntary law of nations \* \* \* It is not the comity of the courts, but the comity of the nation, which is administered and ascertained in the same way, and guided by the same reasoning, by which all other principles of municipal law are ascertained and guided."

The record shows that the British Minister accredited to the Philippine Republic in two notes concerning this question, addressed to the President of the Philippines in his capacity as Head of the Department of Foreign Affairs, said:

"\* \* \* there is no governmental control of the accounting profession in the United Kingdom and any resident of the United Kingdom, of whatever nationality, may engage in the profession of accounting without formality; and \* \* \* that the high standards of the accounting profession in the United Kingdom are maintained by a number of private societies whose membership is restricted to persons who have passed a different professional examination but impose no restriction whatsoever on membership with respect of nationality." (Note of November 5, 1946.)

Again, the British Minister, in his note of April 15, 1947, further said:

"Your Excellency will recall that doubt had been expressed by the Philippine authorities concerned as to whether qualified public accountants would be allowed to practice income tax accounting in the United Kingdom. Accordingly, I requested a ruling on this point, and I am happy to inform Your Excellency that I have been authorized by His Majesty's Principal Secretary of State for Foreign Affairs to state, for the information of the Government of the Philippines, that qualified Philippine citizens are allowed to practice the profession of accountancy, including income tax accounting, in the United Kingdom."

We are bound to take notice of the fact that the Philippines and the United Kingdom, are bound by a treaty of friendship and commerce, and each nation is represented in the other by the corresponding diplomatic envoy. There is no reason whatsoever to doubt the statement and assurance made by the diplomatic representative of the British Government in the Philippines, regarding the practice of the accountancy profession in the United Kingdom and the fact that Filipino certified public accountants will be admitted to practice their profession in the United Kingdom should they choose to do so.

Under such circumstances, and without necessarily construing that such attitude of the British Government in the premises, as represented by the British Minister, amounts to reciprocity, we may at least state that it comes within the realm of comity, as contemplated in our law.

It appearing that the record fails to show that the suspension of this respondent is \* \* \* based on any of the causes provided by the Accountancy Law, we find no reason why Robert Orr Ferguson, who had previously been registered as certified public accountant and issued the corresponding certificate which authorizes him to practice his profession as certified public accountant in the Philippine Islands, should be suspended from the practice of his profession in these Islands.

The petition is denied, with costs.

Moran, C.J., Paras, Pablo, Bengzon, Padilla, Tuason, Montemayor, and Reyes, JJ., concur.

**ABOUT BATAS.ORG**

# Study smarter at BATAS.org

*The Philippine bar review and law-school companion built around how your brain actually remembers.*

**The complete Philippine law library - free for everyone.**

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

**Audio case-brief lectures.**

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

**Bar review built on the science of memory.**

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

**The full law-school curriculum.**

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

**Mock exams that tell you where you stand.**

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

**A study planner that keeps you on pace.**

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

**Start free at <https://batas.org>**

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.