

# Memorandum of Understanding

*between the*

**Irish Institute of Chartered Accountants**

*and the*

**NASBA/AICPA International Qualifications Appraisal Board**  
*representing*

The National Association of  
State Board of Accountancy  
(NASBA)

and

The American Institute of  
Certified Public Accountants  
(AICPA)

It is hereby understood that the ICAI and the NASBA/AICPA IQAB agree to the following terms and conditions attendant to the *Mutual Recognition Agreement* signed by both parties:

NASBA/AICPA IQAB will undertake a follow-up review of the entry-level credentials for Irish Chartered Accountants in approximately two years from the date of the *Mutual Recognition Agreement*.

The ICAI will ensure that all applicants for recognition under this agreement are referred to the Secretary of ICAI and ICAI will ensure that only those members to whom the Agreement applies will be endorsed as being eligible to apply for the U.S. IQEX.

Signed on Behalf of



Institute of Chartered Accountants in Ireland

9 November 04

Date



NASBA/AICPA International Qualifications Appraisal Board

9 November 2004

Date

***PROFESSIONAL MUTUAL RECOGNITION  
AGREEMENT***

*Recommended by*

**The Institute of Chartered Accountants in Ireland**

*and*

**The NASBA/AICPA International Qualifications Appraisal Board**

*Representing*

**The National Association of State  
Boards of Accountancy**

**NASBA**

*and*

**The American Institute of  
Certified Public Accountants**

**AICPA**

# PROFESSIONAL MUTUAL RECOGNITION AGREEMENT

## Introduction

The National Association of State Boards of Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA) have jointly established the NASBA/AICPA International Qualifications Appraisal Board (IQAB) to eliminate impediments to reciprocity by serving as the link between the accounting profession in the United States and the accounting profession in other countries, such as Ireland, that are seeking mutual recognition of accounting qualifications.

The IQAB and The Institute of Chartered Accountants in Ireland (ICAI), as Parties to this document, have achieved a consensus on principles for reciprocity to be recommended to the Council of The Institute of Chartered Accountants in Ireland and to the individual U. S. State Boards of Accountancy that grant respectively, the Chartered Accountant (CA) and the Certified Public Accountant (CPA) designations. To promote reciprocity this agreement has been approved by the Boards of Directors of NASBA, the AICPA, and the ICAI.

The Council of The Institute of Chartered Accountants in Ireland is empowered to issue the CA designation to qualified applicants. The United States has 54 jurisdictions, and their State Boards of Accountancy or their equivalents in each jurisdiction are legislatively empowered to grant the CPA designation and license to practice accountancy, subject to the laws and regulations in each jurisdiction. To promote reciprocity, the IQAB and the ICAI recommend the adoption of the following principles for the mutual recognition of the CA and the CPA designations.

## Basis of Recognition

The IQAB has reviewed the education requirements, the required body of knowledge and the required standards of professional practice with respect to the granting of the CA designation in Ireland. The Institute of Chartered Accountants in Ireland has reviewed the education requirements, the required body of knowledge and the required standards of professional practice as expressed in the Uniform Accountancy Act with respect to the granting of the CPA designation in the United States. As a result of these reviews, the Parties to this document are satisfied that the Final Admitting Examination and the U. S. Uniform CPA Examination test comparable bodies of knowledge and the CPA and CA designations are comparable when the examination requirements are combined with the education and experience requirements discussed in the following paragraphs of this document.

## **Education**

The Parties agree that CAs who have successfully completed a Masters in Accounting Programme degree, or a relevant honors baccalaureate degree with one additional year of academic study from a recognized accredited program, or a relevant ordinary baccalaureate degree with two additional years of academic study from a recognized accredited program, shall be considered as having satisfied an education requirement equivalent to the 150-hour education requirement as defined by the Uniform Accountancy Act's Article 5, Rules 5-1 and 5-2, Third Edition, Revised. Such individuals should therefore be considered as having satisfied the education requirements necessary to receive full reciprocity in the U. S. jurisdictions.

The Parties further agree that CPA's who have successfully completed a relevant baccalaureate degree at a recognized accredited institution combined with a concentration in accounting, or 150-hour education requirement as defined by the Uniform Accountancy Act's Article 5, Rules 5-1 and 5-2, Third Edition, Revised, or a master's degree with a concentration in accounting from a recognized accredited program, shall be considered as having satisfied the education requirements for receiving full reciprocity in Ireland.

## **Examinations**

The Parties agree that applicants who have successfully completed the Institute of Chartered Accountants Final Admitting Examination, and applicants who have successfully completed the U. S. Uniform CPA Examination should not be required to complete the other jurisdiction's examination in order to achieve the professional designation of the jurisdiction into which entry is being sought. All applicants for reciprocity may, however, be required to pass an examination or examinations designed to assure that the applicants have satisfactory knowledge of relevant local and national legislation, standards and practices in the jurisdiction being entered. In Ireland, such qualifying examinations are already in place to test the knowledge of otherwise qualified applications from other jurisdictions. Similarly, the NASBA and AICPA have developed and administer annually for the U. S. jurisdictions a uniform qualifying examination. The Parties recognize that an individual U. S. jurisdiction may require successful completion of an additional examination on the statutes, regulations, and ethical rules of that jurisdiction.

The IQAB or such other body as the IQAB may designate from time to time, should periodically review Ireland's Final Admitting Examination including the body of knowledge to be tested, the policies and procedures for its construction, administration, security and oversight to provide assurance to State Boards of Accountancy that the Final Admitting Examination can be relied upon as an appropriate test of the qualifications of CA candidates. Ireland's Final Admitting Examination Board, or such other body as may be designated from time to time, should complete similar reviews of the U. S. Uniform CPA Examination including the body of knowledge to be tested, the policies and procedures for its construction, administration, security and oversight to provide a similar assurance to the Council that the Uniform CPA Examination is an appropriate test of the qualifications of CPA candidates.

### **Experience**

The Parties agree that those requirements within Ireland that serve as minimum requirements for satisfying original CA qualifications including the granting of a practicing certificate and admission as a fellow member in the Institute are equivalent to the completion of a minimum period of accounting experience within the United States as a requirement for the granting of an original CPA license to practice, and should therefore be considered as sufficient to satisfying requirements for receiving in U. S. jurisdiction(s) or Ireland into which entry is sought.

Ordinarily, the amount and nature of accounting experience completed within the country of the jurisdiction granting the original designation must be equivalent to the experience requirement of the jurisdiction granting the reciprocal designation and must have been obtained under the supervision or direction of a CA or CPA in the original jurisdiction. If either the amount or nature of the accounting experience acquired by an applicant in the jurisdiction of original designation does not meet the requirements of the jurisdiction granting the reciprocal designation, the applicant may be permitted to complete the prescribed experience in the jurisdiction into which entry is sought before becoming eligible to receive the applicable CA or CPA designation.

### **Professional Experience Waiver**

The Parties to this agreement, in order to facilitate reciprocity, mutually agree that CAs or CPAs who have successfully completed the Chartered Accountants Final Admitting Examination, or who have successfully completed the Uniform CPA Examination, and who have practiced public accountancy during five of the last ten years within their jurisdiction and hold a valid license to practice public accountancy, shall be granted full reciprocity in the jurisdiction into which entry is sought and receive the applicable CA or CPA designation subject only to their successful completion of a qualifying examination.

### **Expiration**

This agreement shall be in force for a period of five years from the date of consummation and may be renewed or extended for an additional five-year or shorter period through mutual agreement of the Parties.

### **Termination**

Either Party may, with a sixty-day (60) notice, withdraw their consent to this agreement for just cause.

*Robert W. Bell*

On behalf of the NASBA/AICPA  
International Qualifications Appraisal Board

*9 November 2004*

Date

*D. O'Connell*

On behalf of The Institute of Chartered  
Accountants in Ireland

*9 November 2004*

Date