

**APPENDIX I**  
**LIST OF PROFESSIONAL REGULATORY AUTHORITIES**  
**AND NATIONAL ACCOUNTANCY BODIES**

<b>Member State</b>	<b>Professional Regulatory Authority</b>	<b>National Accountancy Body</b>
Brunei Darussalam	Ministry of Finance (Note: A public accountant need not be a member of BICPA, although the Ministry of Finance recommends so)	Brunei Darussalam Institute of Certified Public Accountants (BICPA)
Cambodia	Ministry of Economy and Finance (Note: National Accounting Council)	Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA)
Indonesia	Ministry of Finance (Note: A public accountant must be a member of Institut Akuntan Publik Indonesia – Indonesian Institute of Certified Public Accountant)	Ikatan Akuntan Indonesia (IAI) Institut Akuntan Publik Indonesia – Indonesian Institute of Certified Public Accountant
Lao PDR	Ministry of Finance (Note: A public accountant must be a member of LAAIA. For foreign public accountants, they may submit their application forms to the Ministry of Planning and Investment, and then this organ will coordinate with Ministry of Finance concerning this matter)	Lao Association of Accountants and Independent Auditors (LAAIA)

<b>Member State</b>	<b>Professional Regulatory Authority</b>	<b>National Accountancy Body</b>
Malaysia	Malaysian Institute of Accountants (MIA) (For certain type of services, additional license is required from the Ministry of Finance)	Malaysian Institute of Accountants (MIA)
Myanmar	Myanmar Accountancy Council (MAC)	Myanmar Accountancy Council (MAC)
The Philippines	(1) Professional Regulation Commission (2) Board of Accountancy	Philippine Institute of Certified Public Accountants (PICPA)
Singapore	Accounting and Corporate Regulatory Authority (Note: A public accountant must be a member of ICPAS)	Institute of Certified Public Accountants of Singapore (ICPAS)
Thailand	The Oversight Committee on Accounting Professions (Note: A public accountant must be a member of FAP)	Federation of Accounting Professions (FAP)
Viet Nam	Ministry of Finance	Viet Nam Accountancy and Auditing Association (VAA)

**APPENDIX II**  
**SAMPLE MUTUAL RECOGNITION AGREEMENT**  
**ON ACCOUNTANCY SERVICES**

This **MUTUAL RECOGNITION AGREEMENT ("MRA")** is made and entered into on this (Day) of (Month) (Year) between:

- (1) (**Professional Body A**) situated at (address); and
  - (2) (**Professional Body B**) situated at (address),
- (singularly as "Party", and collectively as "Parties").

**1. PREAMBLE**

(Brief write-up of Professional Body A and B and their working relationship)

Example:

- 1.1. "A" and "B" enjoy a long and mutually respectful relationship, having worked together for many years for the development of the accountancy profession locally, within the region and internationally.

The Parties share common and strong interests in the advancement of the profession of accountancy, especially in relation to the maintenance and strengthening of professional and educational standards, as well as the internationalisation of the profession.

- 1.2. "A" represents approximately (number) professional accountants, and actively consults and operates with like professional bodies in other countries in a number of diverse areas of mutual interest and support to further develop the accountancy profession. "B" represents approximately (number) professional

accountants, and actively consults and operates with like professional bodies in other countries in a number of diverse areas of mutual interest and support to further develop the accountancy profession.

## **2. OBJECTIVES OF MRA**

- 2.1 The MRA sets down the terms for the admission of appropriately qualified members of each Party to the membership of the other Party and such admission shall be mutually recognised by the Parties.
- 2.2 The MRA is an undertaking of both Parties and shall take effect upon the completion of the assessment of the professional program of each Party by the other Party. The Parties target to complete such assessment no later than (DATE) or such later date as the Parties may mutually agree.
- 2.3 Each Party undertakes to use its best endeavours to ensure that its professional program is acceptable to the other Party.

## **3. MEMBERSHIP RECOGNITION**

This section sets out the membership admission requirements of each Party relating to

- Completion of a recognised professional accountancy examination or program;
- Having relevant practical experience;
- Complying with continuing professional education requirements;
- Satisfying proficiency in local laws;
- Completion of courses on ethics and professional practice subjects.

#### **4. PROCESS**

- 4.1 To facilitate the assessment process under clause 2.2, each Party undertakes to provide the other Party with the syllabus, course content and details of the examination process in relation to that Party's professional programs as soon as these materials become available, but no later than (DATE) or such later date as the Parties may mutually agree.
- 4.2 The Parties agree that their respective professional programs will be subject to an annual quality assurance review.
- 4.3 The Parties agree that they will be in regular contact with each other at the (appropriate level to discuss and resolve any issues that may arise during the review process.
- 4.4 If the Parties are unable to resolve issues arising from the annual quality assurance review, either Party may terminate this agreement in accordance with the clause 15.

#### **5. CONDITIONS FOR REVIEW OF APPLICATION OF MEMBERSHIP**

- 5.1 Each application for membership from one Party shall be reviewed by the other Party (the "Recipient Party").
- 5.2 Each Party acknowledges that Recipient Party shall be solely responsible for the determining the approval or non-approval of the application for membership of the Recipient Party.
- 5.3 This MRA does not apply in relation to qualification and/or additional requirements, whether required by

the other Party or by law, necessary to practise as a public accountant within that Party's country.

## **6. LOCAL COMPANY LAW, TAXATION LAW AND OTHER REQUIREMENTS**

(This section sets out the local laws and other requirements of each Party)

## **7. PRACTICAL EXPERIENCE**

7.1 The Parties acknowledge that the practical experience requirements of each Party shall be in accordance with the spirit of the International Education Standard on Practical Experience as published by the International Federation of Accountants ("IFAC").

7.2 Notwithstanding clause 7.1, each Party shall retain its right to refuse admission of members of the other Party who do not meet the practical experience requirements established under any laws applicable to that Party.

## **8. CONTINUING PROFESSIONAL DEVELOPMENT OR EDUCATION**

8.1 Each Party undertakes to ensure that the continuing professional development or professional education it offers to the other Party are in accordance with required IFAC standards.

8.2 Subject to clause 8.1, each Party shall accept the continuing professional development or professional education offered by the other Party.

## **9. PROFESSIONAL PROGRAMS**

- 9.1 The Parties acknowledge that this MRA shall not inhibit or preclude each Party from offering and delivering its professional programs or other relevant programs in any location including the country of the other Party.

## **10. VARIATIONS TO MRA**

- 10.1 The Parties acknowledge that this MRA may be varied from time to time subject to the mutual agreement of the Parties and undertake to procure that any such variation, where appropriate, shall include transitional provisions to ensure that the interests of members or registered students of each Party enrolled in their respective professional programs are not prejudiced.

## **11. MATERIAL CHANGES TO EDUCATION, PROFESSIONAL OR OTHER STANDARDS**

- 11.1 Each Party acknowledges and agrees to inform and advise the other Party in the event of any material changes to its educational, professional or other standards during the term of this MRA.

## **12. PUBLICITY**

- 12.1 Both Parties agree that public comment may not be made in relation to this MRA until the MRA takes effect under clause 2.2.
- 12.2 Both Parties will not make any public comment without the knowledge and agreement of the other Party.

### **13. COSTS AND EXPENSES**

13.1 Each Party shall bear its own costs or any other expenses arising in connection with this MRA.

### **14. JOINT INITIATIVES**

14.1 The Parties may engage in joint initiatives from time to time upon such terms as mutually agreed between the Parties and undertakes to notify the other Party of any proposed initiatives that have an impact on this MRA.

### **15. TERMINATION OF MRA**

15.1 The MRA shall be valid for a duration of (No. of years) commencing from its effective date as stated in Clause 2.2.

15.2 During this time, either Party may terminate this MRA by giving 12 months notice to the other Party.

15.3 Both Parties agree that termination notice given under clause 15.2 would include conditions that would ensure that the interest of members/registered students of either Party enrolled in their respective professional programs are not disadvantaged.

### **16. CONFIDENTIALITY**

16.1 Each Party recognises and affirms that any information disclosed to it by the other Party is proprietary information, and further agrees to keep all proprietary information in strictest confidence and shall not disclose such information to any third party, nor use the information for any other purpose other than as stipulated in this MRA unless the express prior



approval of the other Party providing the information is obtained.

## **17. STATUS**

17.1 This MRA shall not restrict the rights of the Council of Professional Body A and/or the Council of Professional Body B to pass binding resolutions to regulate or amend the requirements of membership admission of the relevant Party provided such resolutions are made in accordance with the governing laws applicable to that Party.

## **18. SUMMARY**

18.1 The Parties enter into this MRA with the clear intention of advancing the interests of their respective members in general. Each Party expresses its goodwill to the other party and agrees to work constructively towards achievement of Mutual Recognition as set out in this MRA.

**IN WITNESS WHEREOF** this Mutual Recognition Agreement has been duly executed on the date first above written.

(Professional Body A)

Signed by (Name), President  
For and on behalf of **(Professional  
Body A)**

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in the presence of:

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Name of Witness:  
Designation of Witness:  
(Professional Body A)

(Professional Body B)

Signed by (Name), President  
For and on behalf of **(Professional  
Body B)**

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in the presence of:

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Name of Witness:  
Designation of Witness:  
(Professional Body B)

Dated this (Day) of (Month) (Year)

**APPENDIX III  
WTO GUIDELINES FOR MUTUAL RECOGNITION  
AGREEMENTS  
OR ARRANGEMENTS IN THE ACCOUNTANCY SECTOR**

The World Trade Organization (WTO) guidelines for MRAs in the Accountancy Sector are attached for reference purposes. The guidelines are reproduced below:

**WORLD TRADE ORGANIZATION  
Council for Trade in Services  
S/L/38  
28 May 1997  
(97-2295)**

**GUIDELINES FOR MUTUAL RECOGNITION  
AGREEMENTS OR ARRANGEMENTS IN THE  
ACCOUNTANCY SECTOR**

**Introduction**

This document provides practical guidance for governments, negotiating entities or other entities entering into mutual recognition negotiations on accountancy services. These guidelines are non-binding and are intended to be used by Members on a voluntary basis, and cannot modify the rights or obligations of the Members of the WTO.

The objective of these guidelines is to make it easier for parties to negotiate recognition agreements and for third parties to negotiate their accession to such agreements or to negotiate comparable ones. The most common way to achieve recognition has been through bilateral agreements. Article VII of the GATS recognises this as permissible. There are differences in education and examination standards, experience requirements, regulatory influence and various

other matters, all of which make implementing recognition on a multilateral basis extremely difficult. Bilateral negotiations will enable those involved to focus on the key issues related to their two environments. Once bilateral agreements have been achieved, however, this can lead to other bilateral agreements, which will ultimately extend mutual recognition more broadly.

Where autonomous recognition is granted, it is suggested that the WTO be informed of the relevant elements in these guidelines for transparency purposes. Such elements could include, for example, those covered in sections B.3, B.4(a) and (b), B.5 and B.6.

The examples listed under the various sections of these guidelines are provided by way of illustration. The listing of these examples is indicative and is intended neither to be exhaustive nor as an endorsement of the application of such measures by WTO Members.

## **A. Conduct of negotiations and relevant obligations under the GATS**

With reference to the obligations of WTO Members under Article VII of the GATS, this section sets out points considered useful in the discharge of these obligations. A copy of Article VII is annexed to these guidelines.

### **1. Opening of negotiations**

The information supplied to the WTO should include the following:

- the intent to enter into negotiations;
- the entities involved in discussions (e.g. governments, national organisations in the accountancy sector or institutes which have

authority - statutory or otherwise - to enter into such negotiations);

- a contact point to obtain further information;
- subject of negotiations (specific activity covered);
- the expected time of the start of negotiations and an indicative date for the expression of interest by third parties.

## **2. Results**

On conclusion of an MRA, the information supplied should include the following:

- the content of the agreement (if a new agreement);
- significant modifications to the agreement (if an agreement already exists).

## **3. Follow-up actions**

For WTO Members supplying information under paragraph (1) above, follow-up actions include ensuring that:

- the conduct of negotiations and the agreement itself comply with the provisions of GATS - in particular Article VII;
- they adopt any measures and undertake any action required to ensure the implementation and monitoring of the agreement, on their own account, and by the competent authorities, or, in pursuance of Article I of the GATS, encourage adoption of such measures and action by relevant sub-national authorities and by other organisations;

- they respond promptly to requests from other WTO Members seeking to enter into MRA negotiations.

#### **4. Single negotiating entity**

Where no single negotiating entity exists, Members are encouraged to establish one.

### **B. Form and content of agreement**

This section sets out various issues that may be addressed in any negotiations and, if so agreed, included in the final agreement. It includes some basic ideas on what a Member might require of foreign professionals seeking to take advantage of an MRA.

#### **1. Participants**

The MRA should identify clearly:

- the parties to the agreement (for example, governments, national accountancy organisations or institutes);
- competent authorities or organisations other than the parties to the agreement, if any, and their position in relation to the agreement;
- the status and area of competence of each party to the agreement.

#### **2. Purpose of agreement**

The purpose of the MRA should be clearly stated.

#### **3. Scope of agreement**

The MRA should set out clearly:

- the scope of the agreement in terms of the specific accountancy professions or titles and professional activities it covers in the territories of the parties;
- who is entitled to use the professional titles concerned;
- whether the recognition mechanism is based on qualifications, or on the licence obtained in the country of origin, or some other requirement;
- whether the agreement covers temporary and/or permanent access to the profession concerned.

#### **4. Mutual recognition provisions**

The MRA should clearly specify the conditions to be met for recognition in the territories of each party and the level of equivalence agreed between the parties. The precise terms of the agreement will depend on the basis on which the MRA is founded, as discussed above. In case the requirements of the various sub-central jurisdictions of a party to an MRA are not identical, the difference should be clearly presented. The agreement should address the applicability of the recognition granted by one sub-central jurisdiction in the other sub-central jurisdictions of the party.

##### **(a) Eligibility for recognition**

###### **(i) Qualifications**

If the MRA is based on recognition of qualifications, then it should, where applicable, state:

- the minimum level of education required (entry requirements, length of study, subjects studied);

- the minimum level of experience required (location, length and conditions of practical training or supervised professional practice prior to licensing, framework of ethical and disciplinary standards);
- examinations passed (esp. examinations of professional competence);
- the extent to which home country qualifications are recognised in the host country;
- the qualifications which the parties are prepared to recognise, for instance, by listing particular diplomas or certificates issued by certain institutions, or by reference to particular minimum requirements to be certified by the authorities of the country of origin, including whether the possession of a certain level of qualification would allow recognition for some activities but not others.

#### (ii) Registration

If the MRA is based on recognition of the licensing or registration decision made by regulators in the country of origin, it should specify the mechanism by which eligibility for such recognition may be established.

#### **(b) Additional requirements for recognition in the host state ("compensatory measures")**

Where it is considered necessary to provide for additional requirements, in order to ensure the quality of the service, the MRA should set out the conditions under which those requirements may apply, e.g. in case of shortcomings in relation to qualification requirements in the host country or knowledge of local law, practice, standards and regulations. This knowledge should be essential for practice in the host



jurisdiction or required because there are differences in the scope of licensed practice.

Where additional requirements are deemed necessary, the MRA should set out in detail what they entail (for example, examination, aptitude test, additional practice in the host country or in the country of origin, practical training, language used for examination).

## **5. Mechanisms for implementation**

The MRA should state:

- the rules and procedures to be used to monitor and enforce the provisions of the agreement;
- the mechanisms for dialogue and administrative co-operation between the parties;
- the means of arbitration for disputes under the MRA.

As a guide to the treatment of individual applicants, the MRA should include details on:

- the focal point of contact in each party for information on all issues relevant to the application (name and address of competent authorities, licensing formalities, information on additional requirements which need to be met in the host country etc.);
- the length of procedures for the processing of applications by the relevant authorities of the host country;
- the documentation required of applicants and the form in which it should be presented and any time limits for applications;

- acceptance of documents and certificates issued in the country of origin in relation to qualifications and licensing;
- the procedures of appeal to or review by the relevant authorities;
- any fees that might be reasonably required.

The MRA should also include the following commitments:

- that requests about the measures will be promptly dealt with;
- that adequate preparation time will be provided where necessary;
- that any exams or tests will be arranged with reasonable periodicity;
- that fees to applicants seeking to take advantage of the terms of the MRA will be in proportion to the cost to the host country or organisation;
- that information on any assistance programmes in the host country for practical training, and any commitments of the host country in that context be supplied.

## **6. Licensing and other provisions in the host country**

Where applicable:

- the MRA should also set out the means by which, and the conditions under which, a licence is actually obtained following the establishment of eligibility, and what this licence entails (a licence and its content, membership of a professional body, use of

professional and/or academic titles etc.). Any licensing requirements other than qualifications should be explained, e.g.:

- an office address, an establishment requirement or a residency requirement;
  - a language requirement;
  - proof of good conduct and financial standing;
  - professional indemnity insurance;
  - compliance with host country's requirements for use of trade/firm names;
  - compliance with host country ethics (for instance independence and incompatibility).
- in order to ensure the transparency of the system, the MRA should include the following details for each party:
    - the relevant laws and regulations to be applied (disciplinary action, financial responsibility, liability, etc.);
    - the principles of discipline and enforcement of professional standards, including disciplinary jurisdiction and any consequential limitations on the professionals;
    - the means for ongoing verification of competence;
    - the criteria for and procedures relating to revocation of the registration of professionals;
    - regulations relating to any nationality and residency requirements needed for the purposes of the MRA.

## **7. Revision of the agreement**

If the MRA includes terms under which it can be reviewed or revoked, the details should be clearly stated.