



MEMBERSHIP PATHWAYS AGREEMENT

This Agreement is made the 10 day of March 2016

BETWEEN

CPA AUSTRALIA LTD ABN 64 008 392 452
of Level 20, 28 Freshwater Place, Southbank, Melbourne, Victoria,
Australia ("**CPA Australia**")

AND

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL of Post
Box No 5289, Satdobato, Lalitpur, Nepal ("**ICAN**")

RECITALS:

- A. CPA Australia and ICAN are full members of IFAC and each provide professional qualifications, continuing professional development and a range of other member services to professional accountants in Australia, Nepal and/or other parts of the world.
- B. CPA Australia and ICAN 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 in all sectors, as well the internationalisation of the profession.
- C. Recognising that global portability is becoming increasingly important for professional accountants around the world, and that the development of quality content will be increasingly important to members in the future, CPA Australia wishes to provide a pathway for members of ICAN to become ASA members of CPA Australia on the terms set out in this Agreement.

1. DEFINITIONS AND INTERPRETATION

- 1.1. In this Agreement (including the Recitals), unless the context specifically requires otherwise:
 - (a) "**ASA**" means an Associate member of CPA Australia;
 - (b) "**CPA Australia's Professional Experience Requirement**" means CPA Australia's professional experience requirement from time to time, and which, at the Effective Date is for a period of 3 years;

- (c) **"CPA Program"** means CPA Australia's professional qualification program of that name;
- (d) **"CPD"** means continuing professional development;
- (e) **"Effective Date"** means the date of signing of this Agreement;
- (f) **"Elective segment"** means an Elective segment in the CPA Program;
- (g) **"Ethics and Governance"** means the subject of that name in the CPA Program
- (h) **"Financial Reporting"** means the subject of that name in the CPA Program;
- (i) **"Global Strategy & Leadership"** means Global Strategy & Leadership, the capstone subject in the CPA Program;
- (j) **"ICAN CAPII"** means the ICAN Chartered Accountancy Professional II Level course from time to time, which, at the Effective Date had the following eligibility criteria:
 - (i) Passed the CAP-I Level Examination, or
 - (ii) Be a Graduate or Post Graduate in Commerce, Business Administration or Management with Account, Audit or Taxation as major subject having secured a minimum of 50% aggregate marks, or
 - (iii) Be a Graduate or Post Graduate in Commerce, Business Administration or Management with major subjects other than Account, Audit or Taxation with a minimum of 55% aggregate marks; or
 - (iv) Be a Graduate or Post Graduate in other than (ii) and (iii) above with a minimum of 60% aggregate marks; and

comprises 7 papers divided into two groups as follows (and completing ICAN CAPII means passing each of these Papers):

Group I			Group II		
Paper 1.	Advanced Accounting	100 Marks	Paper 4.	Financial Management	100 Marks
Paper 2.	Audit and Assurance	100 Marks	Paper 5.	Cost and Management Accounting	100 Marks
Paper 3.	Corporate and Other Laws	100 Marks	Paper 6.	Business Communication and Marketing	100 Marks
			Paper 7.	Income Tax and VAT	100 Marks

(k) "**ICAN CAPIII**" means the ICAN Chartered Accountancy Professional III level course from time to time, which, at the Effective Date had the following eligibility criteria:

- (i) Passed both groups of CAP-II Level Examinations.
- (ii) Registered as an article trainee under a practicing Chartered Accountant by signing an Articleship Deed. It must however be noted that the Articleship Deed must be submitted to ICAN within one month from the date of signing the deed; and

comprises 8 papers divided into two groups as follows:

Group I			Group II		
Paper 1.	Advanced Financial Reporting	100 Marks	Paper 5.	Management Information System	100 Marks
Paper 2.	Advanced Financial Management	100 Marks	Paper 6.	Advanced Taxation	100 Marks
Paper 3.	Advanced Audit and Assurance	100 Marks	Paper 7.	Advanced Cost and Management	100 Marks
Paper 4.	Corporate Laws	100 Marks	Paper 8.	Strategic Management and Decision Making Analysis	100 Marks

Completing ICAN CAPIII means completing the article traineeship (in accordance with any relevant IFAC requirements) as well as passing each of the 8 Papers above.

- (l) "**ICAN Chartered Accountancy Course**" means the program of that name of ICAN;
- (m) "**IFAC**" means the International Federation of Accountants;
- (n) "**Member of ICAN**", means a member of ICAN , who has completed ICAN CAPIII and who:
 - (i) has no outstanding subscription fees, other fees or accounts payable to the relevant body;
 - (ii) has not had his or her membership suspended or terminated as a result of any professional conduct investigation; and
 - (iii) has no current investigation into his or her professional conduct;
- (o) "**MPA**" means a membership pathway agreement, and "this MPA" means this Membership Pathways Agreement;
- (p) "**PER**" means the practical work experience requirement of ICAN as amended from time to time; and
- (q) "**Strategic Management Accounting**" means the subject of that name in the CPA Program.

1.2. Headings in this Agreement are for convenience only, and do not affect the interpretation of this Agreement.

1.3. Unless the context specifically requires otherwise:

- (a) words denoting the singular include the plural and vice versa;
- (b) words denoting any gender include the other genders;
- (c) words denoting persons include corporations and organisations whether incorporated or not.

2. TERM OF THIS MPA

- 2.1. This MPA will commence on the Effective Date and, unless terminated earlier in accordance with the terms of this MPA, will continue for the period of five (5) years.
- 2.2. The parties will discuss in the final year of this MPA whether – and if so, on what terms – to enter into a further membership pathways agreement.
- 2.3. If either of the parties does not intend to enter into a further membership pathways agreement following the expiration of this MPA, then it will give the other party written notice to that effect by that date that is no later than ninety (90) days prior to the expiration of this MPA. The parties will then discuss in good faith any transitional arrangements to deal with Members who have taken membership of the other body under the terms of this MPA.

3. GENERAL PRINCIPLES

Should either CPA Australia or ICAN make material changes to its professional program, PER, CPD obligations, educational framework, and professional standards ("Standards"), the party making the future changes will promptly inform the other party of those changes and the parties will determine if the changes materially affect the equivalence of the professional programs. If the parties cannot reach agreement on these matters the agreement may be terminated by the party that has not changed its program/framework, in accordance with the notice provisions in Clause 10.

4. MEMBERSHIP PATHWAY TO CPA AUSTRALIA FOR MEMBERS OF ICAN

- 4.1. Subject to Clause 4.2, CPA Australia will admit as its member (as an Associate Member "ASA") - any Member or Student of ICAN as the case may be who:
 - (a) Is, in CPA Australia's opinion, acting reasonably, a member of good standing and not currently subject to any disciplinary sanctions or investigations and payment of fees;
 - (b) Did not gain entry through another MPA or any other mutual recognition arrangement with another professional body; and
 - (c) Has successfully completed:
 - (i) the ICAN CAPII and/or ICAN CPAIII; and
 - (ii) the ICAN PER requirements in case of CAP III.

4.2. Once admitted as an ASA, those Members or Students of ICAN as the case may be who:

(a) have completed ICAN CAPIII and undertake and successfully complete:

- (i) Ethics & Governance;
- (ii) Strategic Management Accounting;
- (iii) Financial Reporting; and
- (iv) Global Strategy & Leadership; or

(b) have completed ICAN CAPII and undertake and successfully complete:

- (i) Ethics & Governance;
- (ii) Strategic Management Accounting;
- (iii) Financial Reporting;
- (iv) Global Strategy & Leadership;
- (v) Two (2) elective subjects in the CPA Program; and
- (vi) CPA Australia's Professional Experience Requirement,

and, is the holder of a degree recognised by CPA Australia as being at least equivalent to Australian bachelor degree level, or does not hold a degree recognised by CPA Australia but who has at least five (5) years' senior work experience (at time of application) in professional accounting, are eligible to apply to CPA Australia for CPA status.

4.3. CPA Australia is not obliged to admit as its member any Member or Student of ICAN who:

- (a) is the subject of a current investigation into his or her professional conduct; or
- (b) has been subject to any disciplinary sanctions within the five (5) years prior to his or her application for membership to CPA Australia.

5. MEMBERSHIP REQUIREMENTS

5.1. CPA Australia and ICAN acknowledge that the strength of their respective brands is dependent upon the quality of its Members. Accordingly, CPA Australia will not admit a Member or Student of ICAN to membership of CPA Australia in circumstances where there are reasonable concerns that the applicant might not uphold the standards of CPA Australia (even if he or she fulfils the entry requirements set out in Clause 4), and that decision is not a breach of this MPA.

5.2. Subject to having appropriate privacy declarations as set out in Clause 5.3, ICAN will share personal information with CPA Australia about Members or Students of ICAN wishing to gain membership of CPA Australia under this MPA, but only for the purposes of:

- (a) allowing CPA Australia to verify that the Member or Student of ICAN is a member of good standing (either at the time of application or at any time during the term of this MPA) and has met the entry requirements set out in Clause 4;
 - (b) conducting analysis of the members availing themselves of the terms of this MPA;
 - (c) providing information about any professional conduct issues concerning the member; and/or
 - (d) providing information in relation to education programs, membership services and training and knowledge products.
- 5.3. CPA Australia and ICAN, subject to requirements of the laws of respective countries, will ensure that:
- (a) all Members or Students of ICAN who apply for membership of CPA Australia under this MPA are made aware of the purposes set out in Clause 5.2; and
 - (b) CPA Australia will not admit any Member or Student of ICAN as a member under the terms of this MPA unless they have signed an appropriate privacy declaration that meets the requirements of both Australian and Nepal's privacy laws.
- 5.4. At least annually, ICAN will provide, in relation to each Member or Student of ICAN that has become a member of CPA Australia under the terms of this MPA, where CPA Australia Ltd provides ICAN with a list of those members from time to time (subject always to the applicable Australian or Nepalese privacy laws):
- (a) confirmation that members remain a financial member of good standing;
 - (b) confirmation that members are not the subject of any adverse finding relating to a quality assurance audit or any professional conduct issues; and
 - (c) details of any current investigation or hearing into his or her professional conduct
- 5.5. For the avoidance of any doubt, a Member of ICAN who takes up membership of CPA Australia will be subject to both bodies':
- (a) CPD requirements;
 - (b) quality assurance requirements;
 - (c) professional conduct (investigations and discipline) procedures; and
 - (d) professional standards.

6. PUBLIC ACCOUNTING SERVICES

- 6.1. Nothing in this MPA provides the members of one of the parties with rights to:
- (a) conduct public accounting services;
 - (b) sign audited financial statements; or
 - (c) act as a tax agent,
- in Australia or Nepal
or any other part of the world.
- 6.2. Any members wishing to undertake any of the activities set out in Clause 6.1 must obtain such certification/licenses and/or meet such legislative requirements as may be in force in the relevant country at the time as well as those requirements that are /may be imposed for granting a certificate of practice.

7. VARIATIONS

This MPA may be varied from time to time but only by written agreement of both parties.

8. CONFIDENTIALITY

- 8.1. Subject to clause 8.2, the terms of this MPA are confidential to each of CPA Australia and ICAN and each of the parties agrees to keep the terms confidential. In particular, the parties recognise that CPA Australia and ICAN have competitors in their respective domestic markets, and in international markets, and the parties will not disclose the terms of this MPA to any of those competitors.
- 8.2. Clause 8.1 does not apply to:
- (a) a joint press release to announce the execution of the MPA; or
 - (b) material developed by each party to explain the terms of the MPA to that party's members which has been approved in writing by the other party (such approval not to be unreasonably withheld) or
 - (c) the cases as required by prevailing law of the respective countries.

9. DISPUTES

- 9.1. This clause 9 applies to any controversy, claim, dispute or difference between the parties directly or indirectly based upon, arising out of, relating to or in connection with this MPA (including any question relating to the existence,

validity or termination of this MPA ("dispute"). A party shall not institute or commence any legal proceedings in respect of a dispute in a court of competent jurisdiction, unless and until that party has complied with the requirements of this clause 9 including clause 9.6.

- 9.2. A party claiming that a dispute has arisen shall notify the other party specifying details of the dispute.
- 9.3. Each party in dispute shall refer the dispute to the nominees of the CEO of CPA Australia and the Executive Director of ICAN, in the first instance for consideration and the parties will use their best efforts to resolve the dispute through negotiation following the notification in such reasonable time as is agreed between the parties ("the specified period").
- 9.4. Each party in dispute shall refer the dispute to the CEO of CPA Australia and the Executive Director of ICAN, in the second instance in the event that the nominees of the CEO of CPA Australia and Executive Director of ICAN respectively fail to resolve the dispute within the specified period. The parties will use their best efforts to resolve the dispute through negotiation following the notification in such reasonable time as is agreed between the parties ("the further specified period").
- 9.5. Each party in dispute shall refer the dispute to the President of CPA Australia and President of the Council of ICAN, in the third instance in the event that the CEO of CPA Australia and Executive Director of ICAN respectively fail to resolve the dispute within the further specified period. The parties will use their best efforts to resolve the dispute through negotiation following the notification in such reasonable time as is agreed between the parties ("the additional further specified period")
- 9.6. In the event that a dispute is not resolved pursuant to this Clause 9, then the dispute will be resolved by arbitration, and in this event the parties agree to the London Court of International Arbitration as the arbiter under the laws of England (and the parties agree to be bound by the final determination of the arbiter, and will jointly contribute to all costs of the arbiter).
- 9.7. Nothing in this Clause 9 restricts or limits the rights of either party to terminate this MPA where this MPA provides such right.

10. TERMINATION

This MPA may be terminated by ninety (90) days' written notice by the party not making the material change to the Standards referred to below ("other party") if either CPA Australia or ICAN makes material changes to its professional program, practical work experience program, CPD obligations, educational framework, and professional standards ("Standards"), that results in the other party reasonably believing that the substantial equivalence between professional designations has been materially altered.

11. FURTHER ASSURANCES

The parties will do all reasonable things and take all reasonable steps to give effect to the terms of this MPA.

12. COSTS

Each of the parties will bear their own costs associated with the execution and operation of this MPA and the meeting of any separate legal requirements of their respective countries arising from entering into this MPA

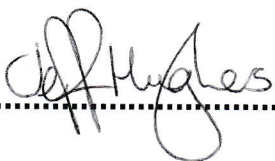
IN WITNESS WHEREOF the Parties hereto have executed this Agreement on the
day of **2016**

Executed on behalf of **CPA AUSTRALIA LTD** with authority of the directors in the presence of:

.....
Jeff Hughes
Chief Operating Officer, Member Services

.....
Rob Thomason
Executive General Manager, Education

.....
Signature



.....
Signature



Executed on behalf of **INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL** with
authority of its Council in the presence of:

.....
Prakash Lamsal
President

.....
Mahesh Khanal
Vice-President

.....
Signature



.....
Signature

