



**CHARTERED ACCOUNTANTS**  
AUSTRALIA • NEW ZEALAND



"Pursuing the frontiers of knowledge and integrity of wisdom"

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## **MEMORANDUM OF UNDERSTANDING**

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**between**

**Chartered Accountants Australia and  
New Zealand**

**and**

**The Institute of Chartered Accountants  
Nepal**

**7 March 2018**

This **MEMORANDUM OF UNDERSTANDING** is made on the 7<sup>th</sup> day of March 2018

Between the following Parties:

**CHARTERED ACCOUNTANTS AUSTRALIA AND NEW ZEALAND** (hereinafter referred to as CA ANZ) with its head office located at 33, Erskine Street, Sydney, NSW 2000 Australia.

and

**THE INSTITUTE OF CHARTERED ACCOUNTANTS NEPAL** (hereinafter referred to as ICAN) with its head office located at Satdobato, Ring Road, Patan 44700, Nepal.

## **1 Introduction**

- a. CA ANZ has more than 120,000 members who use their skills every day to make a difference to businesses in Australia, New Zealand and many other countries. Our members are known for their professional integrity, principled judgment, financial discipline and a forward-looking approach to business. This suite of attributes makes an important contribution to the prosperity of our nations.

As a member-focused organisation, CA ANZ's priority is to maintain and enhance the pre-eminence of the CA ANZ designations. Other key functions include providing opportunities to our members for education, lifelong learning and professional development. We also see our role as advocating on issues of national and international relevance to our members in order to make a positive and meaningful difference to our economies, our members' clients, and the communities where they live and work.

- b. ICAN was established under *The Nepal Chartered Accountants Act, 1997* (the Act) to enhance social recognition and faith of people at large in the accounting profession by raising public awareness towards the importance of the accounting profession as well as towards economic and social responsibility of accountants, and to contribute towards economic development of the country. ICAN is an autonomous body and is fully authorised by the Act to regulate the accountancy profession in Nepal.
- c. CA ANZ and ICAN, (hereinafter known as the Parties) to this agreement have agreed the principles for recognition that will apply to members of each Party who are recognized by that Party as a "Chartered Accountant" (hereinafter referred to as CAs) of the two bodies.
- d. The objective of this agreement is to enter into an arrangement entitled Memorandum of Understanding (hereinafter referred to as 'Agreement' for the purpose of determining the basis upon which admission to membership of appropriately qualified members of the other body may occur.

## **2 Cooperation**

- a. The parties to this Agreement agree to work together constructively and cooperatively during the term of this Agreement in pursuit of its objectives.

## **3 Principles of Recognition**

- a. Recognition is based on the following two elements, each of which is further described at b. and c. below:-



- Professional Programme and Examinations
- Practical Experience

**b. Professional Programme and Examinations**

The parties agree that CA ANZ CAs who have qualified through the CA ANZ Chartered Accountants Program (hereinafter referred to as CA Program) will be required to complete the relevant Corporate Law and Taxation Module of the ICAN Chartered Accountancy Course in order to be eligible for recognition as a CA by ICAN.

The parties agree that ICAN CAs who have successfully completed ICAN Chartered Accountancy Course must complete and pass the Financial Accounting and Reporting Module (hereinafter referred to as FIN) of the CA ANZ CA Program as well as the CA ANZ Pilot International Pathway Programme (refer clause 4 of this Agreement) to meet the eligibility requirements for membership admission with CA ANZ. FIN is an interim requirement for ICAN members seeking recognition by CA ANZ, which shall apply for a period of two (2) years from 1 March 2018. On and from 1 March 2020, the members of ICAN who have completed ICAN's professional programme will only be required to complete and pass the CA ANZ International Pathway Programme or Capstone Module (optional as stated below) for eligibility for CA ANZ membership. However, ICAN members applying before 1 March 2020 can apply for exemption from the requirement to complete the FIN module if they have other equivalent qualifications, as determined by CA ANZ in its sole and absolute discretion.

As an alternative to the CA ANZ Pilot International Pathway Programme, ICAN CAs will have the option to complete the Capstone Module of the CA ANZ CA Program for eligibility for membership of CA ANZ.

**c. Practical Experience**

The parties agree that CA ANZ CAs who have successfully completed CA ANZ's three years of practical experience requirements should be required to complete one year further practical experience in Nepal to achieve recognition as a CA by ICAN.

The parties agree that ICAN CAs who have successfully completed ICAN's three years of practical experience requirements are eligible to complete FIN but will require a minimum of 5 years' post membership with ICAN to complete the CA ANZ Pilot International Pathway Programme.

**4 CA ANZ Pilot International Pathway Programme**

- a. CA ANZ's Pilot International Pathway Programme examines the contemporary Australasian business, accounting and finance environment relevant for CAs of ICAN and other international bodies seeking to become members of CA ANZ.
- b. Members must be living in Australia or New Zealand to be eligible to participate in the programme.
- c. The programme will be delivered as a two day workshop and is being piloted in Sydney and Melbourne in 2018. During this time the programme will be refined following feedback from participants and stakeholders with a plan to then be rolled out across a range of regions in Australia and New Zealand longer term.
- d. Prior to the two day workshop, it is expected that up to 40 hours of self-study will be required to complete all necessary pre-work.



- e. During the workshop participants will be assessed through oral and written communication tasks and assessments. All assessments will take place during the workshop.
- f. Subsequent to the pilot programme, and having reviewed the feedback and findings of this programme, CA ANZ holds the right to decide whether this option will be continued as the best solution to transition ICAN CAs to CA ANZ membership longer term.
- g. Members will also have the option to complete the Capstone Module of the CA ANZ CA Program if they prefer during this pilot.

## 5 Process of Recognition

- a. This Agreement applies to CAs of either professional body (parties referred to above) who have achieved membership and completed the professional programme pathway as well as the practical experience membership requirements of either party to this Agreement.
- b. This Agreement does not apply to individuals who gained membership of either professional body through another reciprocal membership agreement with a third party or other alternate pathway.
- c. The parties to this Agreement will assess individual applications for recognition from members of the other body. In assessing such applications, both parties will seek verification from the qualifying body that the applicant is a current CA member in good standing of that body, how that professional membership was gained and compliance with Continuing Professional Development (hereinafter referred to as CPD) requirements.
- d. The 'qualifying body' is the body under which the member originally qualified as a professional accountant.
- e. The parties to this Agreement agree to provide such verification on a timely basis when requested, including detail on the applicant's route into membership.
- f. The final decision on membership recognition shall rest with the receiving body.
- g. For the avoidance of doubt, this Agreement applies only to those members who hold the Chartered Accountant (CA) designation.
- h. Where personal data of an individual is required to be disclosed by one party (the **discloser**) to the other party (the **recipient**) under the terms of this Agreement, the discloser agrees to obtain the individual's express consent to the disclosure of such personal data prior to disclosing it to the recipient.
- i. For the purposes of clause 5i, personal data means any information relating to an identified or identifiable natural person ("**data subject**"); an identifiable person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that person.

## 6 Membership, practice and audit rights

- a. This Agreement covers membership rights of recognised members only.
- b. The parties acknowledge that any rights to practice, within regulated areas, are outside the scope of this Agreement.
- c. The parties agree that applicants of ICAN who gain CA ANZ CA membership through the CA ANZ Pilot International Pathway Programme under CA ANZ's By-Law 12 (Special Admissions) will not qualify for recognition by the Global Accounting Alliance (GAA).

- d. Both parties agree that nothing in this Agreement provides the members of either body with rights to perform the following functions in Australia, New Zealand, Nepal or any other parts of the world:
- Conduct public accounting services;
  - Sign audited financial statements;
  - Act as a tax agent and
  - Provision of personal advice relating to financial planning and self-managed super funds (Australia only).
- e. Any CA ANZ or ICAN member wishing to undertake any of the activities set out in clause 6d must obtain such 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 Home membership**

- a. Both parties agree that members who gain membership of the other body under the terms of this Agreement must retain membership of his or her original membership body for the life of and any extension to this Agreement.
- b. Both parties agree to provide a Letter of Good standing of the recognised members admitted under the terms of this Agreement, provided the relevant individual has provided adequate written consent in accordance with clause 5h of this Agreement. In response, each body will provide the following details to the other body:
- Confirmation that he or she has successfully completed ICAN's Chartered Accountancy Course;
  - Confirmation that he or she has a minimum of 5 years' post membership with the home professional body;
  - Confirmation that he or she is a member of good standing with a good disciplinary record and have no outstanding complaints;
  - Confirmation of compliance with the home professional body CPD regulations and
  - Confirmation that to the best of our knowledge, he or she is living in Australia or New Zealand.
- c. Both bodies agree that members of either CA ANZ or ICAN who take up membership of the other body will be subject to the following requirements of the receiving body:
- CPD requirements;
  - Quality assurance requirements;
  - Professional conduct procedures and
  - Professional standards.

## **8 Disciplinary arrangements**

- a. In the event that consideration requires to be given to conducting an investigation, with a view to possible disciplinary or regulatory action, the primary responsibility for undertaking this will, unless otherwise agreed between the parties in writing, rest with the receiving membership body that is based in the country where the recognised member is practicing (or working in the case of a member not in public practice as an accountant).
- b. Where the recognised member is practicing or working outside both the country of the qualifying body and the country of the receiving body, the responsibility will rest with the qualifying body (original membership body).



- c. In the event that a party to this Agreement does not pursue an investigation and/or disciplinary proceedings with due expedition, or the conclusion of those proceedings is that no adverse finding is made, the other party may initiate such investigation or proceedings after notice in writing, to the other party stating its intent and considering any views expressed by the first party in response.
- d. The parties agree that they will comply with all applicable laws in relation to the retention and security of member information exchanged under this Agreement.

## 9 Reporting

- a. The parties to this Agreement agree to provide each other with information on material changes to their qualifying/admission requirements, CPD policy, exemptions, and any other relevant matters.
- b. This may, depending on the nature of the changes, result in a review of this Agreement.

## 10 Term of Agreement

- a. This Agreement commences on the date of execution of this Agreement and will continue for 3 years unless terminated earlier in accordance with this Agreement.
- b. Notwithstanding clause a. above, the parties acknowledge that this Agreement will be reviewed after one year from the commencement date to allow for any changes required for the CA ANZ Pilot International Pathway Programme. Any amendments to this Agreement as a result of that review must be agreed between the parties in writing in accordance with clause h. below.
- c. This Agreement may be renewed or extended by mutual agreement of both parties.
- d. In the event that a dispute arises between the parties about this Agreement or its interpretation, the parties' Chief Executive Officers or their appointed representatives shall meet to discuss the dispute and attempt to resolve it.
- e. Should the dispute remain unresolved 30 days after such a meeting, this agreement shall terminate unless the parties agree in writing an extension(s) to such period in order to facilitate resolution of the dispute.
- f. Without prejudice to clause 10c, either of the parties to this Agreement may terminate this Agreement by written notice of at least sixty (60) days.
- g. At the time of providing such notice, the body providing notice shall also provide to the other body to this Agreement, a full written explanation of the reasons for termination.
- h. This Agreement may be amended without termination subject to the agreement of the parties, in writing.

## 11 Intellectual Property

- a. Each party grants the other a non-exclusive, non-transferable, revocable, worldwide and royalty-free license to use the other party's name, trademark and/or logo (IP) for the duration of this Agreement to:
  - i. promote the CA ANZ Pilot International Pathway Programme;
  - ii. perform its obligations under this Agreement; and
  - iii. enjoy the benefits under this Agreement.

- b. Each party agrees that it will not use the other party's IP, unless:
- i. it has prior written approval; and
  - ii. the use is in accordance with that party's brand guidelines (as amended)

## 12 Governing Law

- a. This Agreement shall be governed by the laws of England and Wales. The parties submit to the non-exclusive jurisdiction of the courts of that jurisdiction.

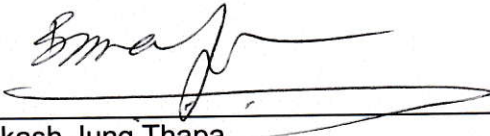
### Executed as an agreement

Dated this 7<sup>th</sup> day of March 2018

**Executed by and on behalf of Chartered Accountants Australia and New Zealand**  
by its Authorised Representative:

**Executed by and on behalf of**  
of the **Institute of Chartered Accountants of Nepal** by its Authorised Representative

  
Rick Ellis  
Chief Executive Officer  
Chartered Accountants Australia and New Zealand

  
Prakash Jung Thapa  
President  
Institute of Chartered Accountants of Nepal