



The Institute
of Chartered
Accountants of India



Mutual Recognition Agreement between the Institute of Chartered Accountants of India and the Institute of Chartered Accountants of Nepal

This Mutual Recognition Agreement (MRA) is made on this 22nd day of October 2020 at 01:00 PM

Between

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA (hereinafter referred to as "ICAI"), a statutory body established by an Act of Parliament, viz. the Chartered Accountants Act, 1949 (Act No. XXXVIII of 1949) having its head office located at ICAI Bhawan, Indraprastha Marg, New Delhi – 110002;

And

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL (hereinafter referred to as "ICAN"), a statutory body established by an Act of Parliament, viz the Nepal Chartered Accountants Act, 1997 having its head office located at ICAN Marg, Satdobato, Lalitpur, Post Box No.: 5289, Kathmandu, Nepal.

WHEREAS

- A. ICAI and ICAN are full members of International Federation of Accountants (IFAC) and each provide professional qualifications, continuing professional development and a range of other members services to professional accountants in their respective "home" jurisdictions (India and Nepal) and other parts of the world.
- B. In order to enhance the existing good relations and fruitful cooperation between the two Institutes and to accelerate the development of the accountancy profession, ICAI and ICAN, hereinafter individually referred to as 'Party' and collectively as 'Parties' agree to sign this Mutual Recognition Agreement.

1. Objectives

The objective of this MRA is to enter into an arrangement for the purpose of



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determining the basis upon which admission to membership of appropriately qualified members of either Institute may occur. Subject as set out in this MRA the parties' intent is:-

- 1.1 To enable appropriately qualified CA members of either Institute to join the other Institute by receiving appropriate credit for their existing accountancy qualification.
- 1.2 That only members with no adverse disciplinary findings made against them, no outstanding complaints pending investigation and no ethical issues and who have confirmed their compliance with the CPD requirements of the relevant Institute and are members in goodstanding will be eligible to take advantage of these membership arrangements.
- 1.3 That 'appropriately qualified members' means who have gained CA membership of either Institute through completion of the education and training route of their respective Institute. This MRA would not apply to individuals who gained membership of either professional body through another reciprocal membership agreement with a third party or other alternate pathway.
- 1.4 That members who gain membership of the other Party under the terms of this MRA are required to retain membership of his or her Original Membership Body for the life of and any extension to this MRA.
- 1.5 That nothing in this MRA shall oblige a party to incur expense or to undertake any activity unless it agrees to do so. Any such agreement will be recorded in writing separate to this MRA.

2. ICAN membership for ICAI members

- 2.1 ICAN agrees that appropriately qualified ICAI members will be eligible to apply for ICAN membership subject to passing of the following papers of ICAN Final Level examination relating to Laws and Taxation:-

- **Corporate Law**
- **Taxation**



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3. Practicing rights for ICAI members joining ICAN

- 3.1 The practicing certificate eligibility of ICAI members joining ICAN will be governed by the provisions outlined in the Nepal Chartered Accountants Act 1997, Nepal Chartered Accountants Regulations 2004 and laws of Nepal.

4. ICAI membership for ICAN Members

- 4.1 ICAI membership will be open to all appropriately qualified member subject to passing of the following papers of ICAI Final Level examination relating to Laws and Taxation:

- Corporate Laws and other Economic Laws
- Direct Tax Laws & International Taxation
- Advanced Indirect Tax Laws

5. Practicing rights for ICAN members joining ICAI

- 5.1 The practicing certificate eligibility of ICAN members joining ICAI will be governed by the provisions outlined in the Chartered Accountants Act 1949, Chartered Accountants Regulations, 1988, Council directions from time to time and India's commitments under General Agreement on Trade in Services (GATS).

6. Articleship Training

Both the Institutes will recognise the trainings undertaken by their members during the articleship period of three years.

7. Membership Process

- 7.1 Each Party will assess the individual applications for membership from Members of the other Party. In assessing such applications, such Party shall verify with the other Party that the Applicant is a Member in good standing of the other Party and how membership was gained and details of current investigation, if applicable. Each party agrees to provide such verification within 15 (fifteen) Business days of being requested to do so.



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8. Examinations

- 8.1 ICAN will administer and evaluate the examinations undertaken by ICAI members for taking ICAN membership
- 8.2 ICAI will administer and evaluate the examinations undertaken by ICAN members for taking ICAI membership.

9. Compliance

- 9.1 Each party agrees that Members of either ICAI or ICAN who take up membership of the other Party will be required to comply fully with all requirements of that Party, including but not limited to :
- Continuous Professional Development requirements
 - Code of Professional Conduct

10. Duration and Termination

- 10.1 This MRA would take effect from the date the MRA is signed by the respective parties and shall remain in effect for a period of five (5) years.
- 10.2 This MRA may be terminated by either party giving 90 (ninety) days written notice to the other party of its intention to terminate this MRA.
- 10.3 This MRA would be reviewed after a period of 5 (five) years or before that if there are significant changes in examination, syllabus or training requirements of either body.
- 10.4 Both parties must advise the other of any significant changes and provide relevant supporting documentation as soon as practically possible.

11. Amendment and Extension

- 11.1 This MRA may be amended or extended upon the written mutual agreement of both institutions.



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12. Confidentiality

- 12.1 Each Party shall undertake to observe the confidentiality and secrecy of documents, information and other data received from or given to the other Party during the period of the implementation of this MRA or any other agreements made pursuant to it. Both Parties agree that the provisions of this Article shall continue to be binding between the Parties, notwithstanding the termination of this MRA.

13. Dispute Settlement Mechanism

- 13.1 Any difference or dispute between the Parties concerning the interpretation and/or implementation and/or application of any of the provisions of this MRA shall be settled amicably through mutual consultation and/or negotiation between the Parties, without recourse to any third party or court.

In witness whereof the Parties hereto have executed this Agreement on the 22nd day of October, 2020 in two original signed in English language.

ON BEHALF OF ICAN

Signature: Madan Krishna Sharma

Name: CA. Madan Krishna Sharma
Designation: President, ICAN

Date: 22-10-2020

ON BEHALF OF ICAI

Signature: Atul Kumar Gupta

Name: CA. Atul Kumar Gupta
Designation: President, ICAI

Date: 22-10-2020

In the presence of:

Signature: Yuddha Raj Oli

Name: YUDDHA RAJ OLI

Designation: Vice President

Signature: Nihar N. Tambusaria

Name: CA Nihar N. Tambusaria

Designation: Vice President, ICAI