

MUTUAL COLLABORATION AGREEMENT

between



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL

and



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ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

MUTUAL COLLABORATION AGREEMENT

Between

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL ("ICAN") whose address is ICAN Marg, Satdobato, Lalitpur, Nepal.

and

ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS ("ACCA")

whose address is The Adelphi, 1-11 John Adam Street, (Adelphi Terrace), London WC2N 6AU, United Kingdom.

WHEREAS

- (A) ICAN is the only national professional accountancy and regulating body for accountants in Nepal. It was established in Nepal in 1997 under The Nepal Chartered Accountants Act, 1997.
- (B) ACCA is the global body for professional accountants incorporated in UK under Royal Charter (number RC000732) in 1904, with 503,262 students and 208,549 members in 173 countries.
- (C) ICAN and ACCA share common and strong interests in the advancement of the accountancy profession especially in relation to the maintenance and strengthening of professional capacity and building accountancy infrastructure.

1. Background

- 1.1 This Mutual Collaboration Agreement (hereafter referred to as "Agreement") made between ICAN being the First Party and ACCA being the Second Party, provides for the establishment of mutual co-operation between two institutions.

2. Purpose

- 2.1 The purpose of this Agreement is:
 - 2.1.1 to set out the understanding between the Parties, in the spirit of mutual cooperation, without any intention to create legal relations. Any collaborative ventures that may bind the Parties will be subject to separate contractual arrangements.
 - 2.1.2 for the Parties to explore opportunities for collaboration to their mutual benefits, to set out their respective roles and responsibilities in working cooperatively to further each other's and their mutual interests.
 - 2.1.3 to provide pathways to interested members of each of the Parties to achieve membership of the other Party, the details of which are outlined in Clause 7 and Annex 1 and 2 respectively. The membership pathways described in this Agreement do not serve to

articulate equivalency of all, or part, of either Party's qualifications, but to provide a recognised route to membership of each other's Institutes.

- 2.2** No funding will be required from either Party except as mutually agreed from time to time. The Parties agree that all financial arrangements will be negotiated for each specific case prior to commencement of the activity and will depend on the availability of funds.

3. Duration and Termination

- 3.1** This Agreement will be deemed to have come into force and effect on 1 May 2019 (the "Commencement Date"), this Agreement will continue for a period of three (3) years from the Commencement Date. The Parties agree to review this Agreement annually. This Agreement may be terminated at any time during its term by either ACCA or ICAN upon either of them giving the other six (6) months' prior written notice.
- 3.2** Either Party may terminate ("Terminating Party") this Agreement immediately on written notice to the other Party in the event of an occurrence of any act, omission or conduct which is deemed by the Terminating Party, at all times acting reasonably, to undermine, jeopardise or damage the professional reputation of the Terminating Party.
- 3.3** This Agreement may be amended by the Parties provided the amendment is reduced to writing and signed by both the Parties.

4. Objectives of the Mutual Collaboration Agreement

- 4.1** The Parties shall work together to achieve and promote the highest professional, ethical and governance standards, advance the public interest and to support the accounting profession by building both capacity and capability.
- 4.2** The Parties agree to share views on the development of accountancy with emphasis on co-operation in respect of professional training, education and examinations.
- 4.3** The Parties are committed to a constructive and co-operative relationship in the spirit of non-competition and the common pursuit of enhancing and developing the accounting profession. Nothing in this Agreement should be construed as preventing or inhibiting either Party from independently undertaking activities aligned to their respective objectives.
- 4.4** Recognising the value of promoting mutual co-operation for the advancement of their respective members and the accounting and auditing profession, ICAN and ACCA agree to the following Terms of Understanding as set out below without any intention to create a legal relationship, but rather in the spirit of cooperation. Any collaborative ventures that may bind the Parties are subject to separate contractual arrangements.

5. Terms of Understanding

- 5.1** The Parties agree to work towards co-operation in respect of recognised pathways to mutual membership, professional training, education and examinations.

- 5.2 The Parties are committed to supporting accountancy students and to developing the accountancy profession. This will be achieved through a partnership between ICAN and ACCA to provide mutual exemptions for members of both bodies towards the ICAN and ACCA qualifications and collaboration in several areas as set out below.

6. Definitions

6.1 For the purpose of this Agreement, the terms below shall mean the following:

“Articleship”: means The Institute of Chartered Accountants of Nepal’s requirement for students to undergo Articleship Training for the period of three years as an Articled Trainee under a Practising Chartered Accountant along with theoretical education under Rule 24 of The Nepal Chartered Accountants Regulation, 2004.

“Exemptions”: means an award in recognition of prior learning.

“Practical Experience Requirement (PER)”: means ACCA’s practical experience requirements to achieve ACCA membership. PER is a vital part of the ACCA Qualification. It provides a framework that develops the professional knowledge and values, ethics and behaviours needed to become a professionally qualified accountant. The Practical Experience Requirement (PER) includes:

- completing 36 months’ experience in an accounting or finance-related role(s)
- achieving 9 predefined performance objectives to the satisfaction of a practical experience supervisor who must be an IFAC member body qualified professional accountant.
- recording and reporting their PER progress through an online system.

7. Exemptions

- 7.1 ICAN and ACCA members will be awarded exemptions from the specified examinations of the ACCA Qualification and the ICAN Chartered Accountancy Qualification as detailed in Annex 1 – 2 of this Agreement.
- 7.2 ACCA confirms that holders of ICAN membership will receive exemptions from the ACCA Qualification as outlined in Annex 1 of this Agreement. This will mean ICAN members must complete three examinations and one Case Study (Strategic Business Leader) of the Strategic Professional Level of the ACCA Qualification.
- 7.3 ACCA reserves the right to review the exemptions arrangements outlined in Annex 1, and will do so in line with the its global exemption and accreditation policy, and will share with ICAN the basis on which any review will be conducted.
- 7.4 ACCA shall notify ICAN of any changes to its syllabus and examinations that may affect exemptions awarded to ICAN members.

- 7.5 ICAN members who elect to take up the ACCA examination exemptions offered in Annex 1 (as varied from time to time by ACCA) shall not be eligible to undertake the Oxford Brookes Degree, BSc (Hons) Applied Accounting.
- 7.6 ICAN confirms that holders of the ACCA Qualification will receive exemptions from the ICAN Chartered Accountancy Qualification as outlined in Annex 2 of this Agreement. This will mean that ACCA members must complete a total of six examinations of the ICAN Chartered Accountancy Qualification's Final Level.
- 7.7 ICAN reserves the right to review the exemptions arrangements outlined in Annex 2, and will share with ACCA the basis on which any review will be conducted.
- 7.8 ICAN shall notify ACCA of any changes to its syllabus and examinations which may affect exemptions awarded to ACCA members.
- 7.9 ICAN members that have received the relevant exemptions from the ACCA Qualification will be eligible to apply for ACCA membership upon completing Strategic Professional examinations, relevant professional experience and other requirements, as per Annex 3 of this Agreement. However, the practical experience that individuals have gained towards their ICAN Membership will be fully counted towards ACCA's Practical Experience Requirements. This experience must be recorded and submitted in ACCA's Practical Experience Requirement recording framework.
- 7.10 ACCA members that have received the relevant exemptions from the ICAN Chartered Accountant Qualification will be eligible to apply for ICAN membership upon completing the Chartered Accountancy Professional (CAP III) level examinations and complete ICAN's Articleship requirement, as per point 8.1 of this Agreement.

8. Practical Experience Requirements (PER) / Articleship

- 8.1 ACCA members will be exempted from two years of ICAN's Articleship requirements where the practical experience has been gained with any Chartered Accountants' in practice in Nepal for a period of three years. In all other cases, ACCA members will be exempted from one year of ICAN's Articleship requirement.
- 8.2 ICAN members will be exempted from three years of ACCA's Practical Experience Requirement under ACCA membership and this experience must be recorded in ACCA's Practical Experience Requirement framework.

9. Continuing Professional Development (CPD)

- 9.1 Both Parties recognise the value of continuing professional development (CPD) and endeavour to provide essential and relevant opportunities for members of both ICAN and ACCA to ensure that they maintain and develop the knowledge and skills needed to succeed in today's dynamic and demanding business environment.

- 9.2 The Parties undertake to develop training and development courses suitable for the requirements of their respective members and employer organisations.
- 9.3 ICAN and ACCA will work to offer jointly organised and co-branded CPD courses, workshops and conferences during the term of this Agreement. These events, which will have to be mutually agreed between the Parties, will be conducted from time to time in a manner that's consistent and aligned to the requirements of the accountancy profession.
- 9.4 ACCA will explore the opportunity to allow ICAN members to attend ACCA's CPD courses at ACCA member rates. Attendance will be subject to local procedures and fees, payable by members.
- 9.5 ICAN shall allow ACCA members to attend ICAN's CPD courses at ICAN member preferential rates. Attendance will be subject to local procedures and fees, payable by members.

10. Joint research in technical and thought-leadership areas

- 10.1 The Parties will identify suitable research opportunities and undertake joint research and publications.
- 10.2 ACCA and ICAN will explore the potential for ACCA to share its Professional Insights outputs with ICAN for their application and distribution within Nepal.

11. Other areas of co-operation

- 11.1 ICAN and ACCA will explore other potential areas where co-operation would be of mutual benefit.
- 11.2 ICAN will support ACCA's endeavours to seek and secure appropriate levels of recognition of the ACCA Qualification in Nepal through necessary dialogue with the relevant authorities within and affiliated to the Nepalese Government.

12. Implementation

- 12.1 ACCA and ICAN will discuss and agree an annual work plan to determine the detailed activities that will be undertaken for each year of this Agreement. Both parties agree to semi-annual meetings to monitor the progress of the annual work plan.
- 12.2 ACCA and ICAN will coordinate to hold an annual consultation meeting to review co-operation in the previous year and to confirm a programme of joint activities for the following year. The nature and form of such activities shall be discussed during each meeting.

13. Confidentiality

- 13.1 The Parties agree to keep confidential any information which is disclosed or obtained, and which is not publicly available or already known and not to

disclose such information to third parties, otherwise than in accordance with the consent of the other Party or as required by law or any relevant regulatory authority duty.

14. Anti-Bribery and Anti-Slavery Measures

- 14.1** Each Party undertakes to the other to comply with applicable laws, regulations, codes and sanctions relating to anti-bribery and anti-corruption and each other's respective anti-bribery and gift and hospitality policies (where applicable) as may be amended from time to time, copies of which will be provided on written request.
- 14.2** Each Party shall ensure that it and any persons or subcontractors involved in the delivery of the objectives of this Agreement shall comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes in force from time to time.
- 14.3** Breach of this Clause 14 shall be deemed to be a material breach of this Agreement and if either Party breaches this Clause 14, the non-breaching Party may terminate the Agreement immediately by written notice.

15. Intellectual Property Rights

- 15.1** All intellectual property content that is developed jointly by the Parties after the commencement of this Agreement will be jointly owned by the Parties and subject to any other terms and conditions that will be worked out on a case-to-case basis, as may be agreed upon in writing.
- 15.2** Any intellectual property that is owned by either of the Parties, pre dating this Agreement, and which is exploited or modified under this Agreement, will remain the sole property of that Party. It will therefore not be reproduced or transmitted in any other form or by any other means, electronic or mechanical, including photocopying, recording on any storage or retrieval system, without the prior permission and written consent of the intellectual property owner.
- 15.3** Use of logos, trademarks, intellectual property, copyright materials, etc. will be in accordance with each organisation's guidelines. Neither Party shall use, nor permit any person or entity to use the name, logo (or any variation thereof), intellectual property, copyright materials, etc. of the other Party without first obtaining the other Party's prior written consent.


16. Assignment

- 16.1** Unless this Agreement expressly states otherwise, no right or obligation arising under this Agreement may be assigned, transferred or otherwise disposed of, in whole or in part, without the prior written agreement of the Parties.

17. Form of Understanding

- 17.1** This Agreement outlines the areas of co-operation that have been agreed between ICAN and ACCA, however nothing in this Agreement should be construed as creating legal obligations between the two Parties, except for clauses 13 (Confidentiality), 14 (Anti-Bribery and Anti-Slavery Measures) and 15 (Intellectual Property).

18. Good Faith

- 18.1** In entering into this Agreement, the Parties recognise that it is impractical to make provisions for every contingency that may arise during the course of the Agreement.
- 18.2** Accordingly, the Parties declare it to be their intention that this Agreement shall operate between them in accordance with the principles of good faith, with fairness and without detriment to the interests of anyone and if any dispute arises, the Parties shall use commercially reasonable endeavours to agree upon such action as may be necessary and equitable to remove or resolve the cause or causes of the same.
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This Agreement is signed in two original copies in English, one copy of which will be retained by each Party.

IN WITNESS TO THIS MUTUAL COLLABORATION AGREEMENT WHEREOF, the parties hereunto affix their signatures.

Signed for and on behalf of the Institute of Chartered Accountants of Nepal (ICAN)

Jagannath Upadhyay (Niraula)
President, ICAN

Date _____

Witnessed by:

CA (Dr.) Suvod Kumar Karn
Chair of International Affairs Committee, ICAN

Signed for and on behalf of the Association of Chartered Certified Accountants (ACCA)

Helen Brand
ACCA Chief Executive

Date _____

Witnessed by:

Lucia Real-Martin
Lead Market Director, ACCA

ANNEXES

Annex 1: Confirmation of ACCA's exemption accreditation of ICAN Qualification

Annex 2: Confirmation of ICAN's exemption accreditation of ACCA Qualification

Annex 3: ACCA membership requirements

Annex 4: ICAN membership requirements 2

ANNEX 1

Details of exemptions from the ACCA Qualification available to ICAN members

Examination(s)		Accredited Modules	
Accountant in Business	based on	MANAGEMENT AND ORGANISATIONAL RELATIONS (CAP 1)	Full Exemption
Management Accounting	based on	COST AND MANAGEMENT ACCOUNTING (CAP 2)	Full Exemption
Financial Accounting	based on	FUNDAMENTALS OF ACCOUNTING (CAP 1)	Full Exemption
Corporate and Business Law	based on	CORPORATE LAWS (CAP 2) PLUS CORPORATE AND OTHER LAWS (CAP 3)	Full Exemption
Performance Management	based on	ADVANCED COST AND MANAGEMENT ACCOUNTING (CAP 3)	Full Exemption
Taxation	based on	INCOME TAX AND VAT (CAP 2) PLUS ADVANCED TAXATION (CAP 3)	Full Exemption
Financial Reporting	based on	ADVANCED ACCOUNTING (CAP 2) PLUS ADVANCED FINANCIAL REPORTING (CAP 3)	Full Exemption
Audit and Assurance	based on	AUDIT AND ASSURANCE (CAP 2) PLUS ADVANCED AUDIT AND ASSURANCE (CAP 3)	Full Exemption
Financial Management	based on	FINANCIAL MANAGEMENT (CAP 2) PLUS ADVANCED FINANCIAL MANAGEMENT (CAP 3)	Full Exemption

ANNEX 2

Details of exemptions available to ACCA members from the ICAN Qualification

Level	Subjects	Remarks
CAP I	Paper 1: Fundamentals of Accounting	Full Exemption
	Paper 2: Part A. Mercantile Laws Part B. Fundamentals of Economics	Full Exemption
	Paper 3: Part A. Fundamentals of Management Part B. Commercial Mathematics and Statistics	Full Exemption
CAP II	Paper 1: Advanced Accounting	Full Exemption
	Paper 2: Audit and Assurance	Full Exemption
	Paper 3: Corporate and Other Laws	Full Exemption
	Paper 4: Financial Management	Full Exemption
	Paper 5: Cost and Management Accounting	Full Exemption
	Paper 6: Business Communication and Marketing	Full Exemption
	Paper 7: Income Tax and VAT	Full Exemption
CAP III	Paper 1: Advanced Financial Reporting	Full Exemption
	Paper 8: Strategic Management and Decision-Making Analysis	Full Exemption

ANNEX 3

ACCA Membership Requirements

- 1) ICAN members shall be eligible for membership of ACCA subject to having:
 - (i) passed four examinations;
 - Two ACCA examinations of the following four options :
 - Advanced Taxation
 - Advanced Audit and Assurance
 - Advanced Performance Management
 - Advanced Financial Management
 - Strategic Business Reporting
 - Strategic Business Leader (Case Study)
 - (ii) Successfully completed ACCA's online Ethics and Professional Skills Module
 - (iii) undertaken three years of Practical Experience Requirement as per Clause 8.2.
 - (iv) satisfied such other requirements as may from time to time be prescribed by the ACCA Council (the "Council"), provided that where an individual has passed an examination or examinations which in the opinion of the Council is equivalent to the examination or examinations so prescribed by the Council, the Council may treat him as having passed such prescribed examination or examinations (as per the ACCA Rulebook requirements 2018).
- 2) ICAN members may be eligible for the University of London MSc in Professional Accounting, subject to agreement and conditions agreed between ACCA and University of London, the terms of which will be communicated to ICAN once confirmed.

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ANNEX 4

ICAN Membership Requirements

Membership of the Institute:

(1) The membership of the Institute shall be classified into following classes: -

- (a) The Chartered Accountant, and
- (b) The Registered Auditor.

(2) The membership of Chartered Accountant shall, subject to Section 18 of Nepal Chartered Accountants Act 1997, be provided to a person who: -

(a) Has passed Chartered Accountancy or equivalent course from the Institute or other foreign accounting bodies recognized by the Institute and has received practical training relating to accounting profession and certificate of practice as per Chartered Accountant Rules.

(b) The Membership of Registered Auditor shall be granted, on the date of commencement of this sub-section, to a person holding audit license of class 'B', 'C' or 'D' acquired under the provisions of Auditor's Act, 2031 (1974).

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