MUTUAL RECOGNITION AGREEMENT

Recommended by

Chartered Accountants Ireland

and

International Qualifications Appraisal Board

Representing

National Association of State Boards of Accountancy

and

American Institute of Certified Public Accountants

NASBA

and

AICPA
MUTUAL RECOGNITION AGREEMENT

Introduction
The State Boards of Accountancy or their equivalent in each of the US’s jurisdictions (State Boards), which act pursuant to their authorizing statutes, are legislatively empowered by law to protect the public interest by granting and regulating the Certified Public Accountant credential and license to practice. The Council of Chartered Accountants Ireland (the “Irish Institute”) is empowered to issue the Chartered Accountant designation to qualified applicants. The State Boards and the Irish Institute grant respectively the US CPA and Irish Chartered Accountant (ACA/FCA) credentials and either grant licenses to practice or their members have access to a license to practice.

The National Association of State Boards of Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA) jointly established the International Qualifications Appraisal Board (IQAB) to:
1. Assist State Boards seeking to establish abbreviated pathways through which experienced professionals, who hold substantially equivalent foreign professional accounting credentials, may obtain a Certified Public Accountant license in their state (US CPA credential); and
2. Enable US CPAs to obtain foreign professional accounting credentials through similar abbreviated pathways.

The Council of the Irish Institute, in accordance with the Irish Institute’s Bye-Laws has the authority to make:
1. Rules regarding criteria for membership of the Irish Institute, including setting rules regarding examinations and the period of approved service, the entitlement to be called a Chartered Accountant and regulations regarding the granting of practise rights; and
2. Rules and conditions regarding the recognition of other accountancy bodies for the purposes of granting membership to the Irish Institute.

In addition, under the provisions of the Companies Act 2014 and Statutory Instruments issued thereunder, the Council of the Irish Institute has the authority to make regulations regarding the recognition and regulation of statutory auditors.1

Believing that there are a significant number of US CPAs who desire to obtain the ACA/FCA credential, a license to practice public accounting, and a license to perform statutory audits in Ireland, and a significant number of Irish ACA/FCAs who desire to obtain the US CPA credential, the IQAB and the Irish Institute (known collectively as the “Parties”) set out to evaluate each other’s credential to ascertain if they are substantially equivalent and would thus allow both parties to create for qualified holders of either of the credentials an abbreviated qualification pathway.

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1 The criteria for eligibility to perform statutory audit work i.e. (the auditing of annual accounts, consolidated accounts or similar financial statements is set out in Schedule 1 SI 312 of 2016 European Union (Statutory Audits) (Directive 2006/43 EC, as amended by Directive 2014/56/EU, and Regulation (EU) No 537/2014) Regulations 2016, as from time to time amended and re-enacted.
**Eligibility of Applicants under this Agreement:**

To be eligible for this agreement candidates must affirm that they are capable of performing audit and/or attest services based on their competence to complete such services according to the relevant professional standards\(^2\), including having the requisite additional experience/training necessary for such work.

**The Irish Institute’s Undertaking**

The European Union (EU) has requirements regarding the experience necessary to be eligible for appointment as a statutory auditor in any EU Member State\(^3\). In Ireland this has been brought into law by Statutory Instrument 312 of 2016 (SI 312).

In summary, SI 312 requires Irish ACA/FCA credential holders who wish to apply for a license to perform statutory audits to have three years of practical experience in audit, including at least two years of practical experience that were obtained with a statutory auditor or audit firm **approved in an EU member state**.

In addition SI 312 requires Irish ACA/FCA credential holders to demonstrate that they have **recent audit experience in an EU member state**. Recent audit experience is defined as at least two years of audit experience within the last four years.

The Irish Institute’s interpretation of SI 312 is that SI 312 does not permit practical experience obtained in the United States to satisfy the above requirements.

Within the term of this agreement:

1. The Irish Institute undertakes to seek a determination from the Irish Auditing & Accounting Supervisory Authority (IAASA) to grant the Irish Institute the authority to recognize practical audit experience obtained in the United States towards the above noted practical audit experience requirements.
2. In the event that the determination sought from the IAASA is not received, the Irish Institute undertakes to make the necessary representations to the appropriate EU bodies to achieve a similar result (i.e. the recognition of practical experience obtained in the US).
3. The Irish Institute undertakes to report to the IQAB on its progress on these undertakings on an annual basis.

**Basis of Review**

The Parties have reviewed each other’s credential requirements for entry-level qualification and maintenance of the credential. The review included a comparison of each other’s education, experience, examination and other qualification requirements as well as such factors as continuing education, adherence to a code of ethics, enforcement and judicial

\(^2\) US CPAs generally practice under standards set by the AICPA, the Financial Accounting Standards Board, the Governmental Accounting Standards Board, the Public Company Accounting Oversight Board and the International Accounting Standards Board. Irish ACA/FCAs generally practice under the standards, rules and regulations, howsoever called, issued by the Irish Institute in accordance with the provisions of the Bye-Laws and any standards issued from time to time by the Irish Auditing and Accounting Supervisory Authority (IAASA) in relation to the performance of statutory auditors as defined in SI312 of 2016.

\(^3\) Per European Union Directive 2006/43/EC, as amended by Directive 2014/56/EU.
processes, organizational structure, administrative responsibilities and other credential maintenance requirements to their own corresponding requirements.

The IQAB compared the Irish Institute requirements to those set out in the Uniform Accountancy Act (UAA). The UAA is a model law, and not enforceable. Much of the UAA’s language is used by the US jurisdictions and State Boards as they draft the laws and rules that must be followed. Each individual US jurisdiction’s requirements can be found in that jurisdiction’s laws and rules.

The Irish Institute compared the UAA requirements to the education, examination and experience requirements of the Irish Institute’s Examination and Education Regulations.

**Basis of Recognition**

As a result of these reviews, the Parties are satisfied that the US CPA credential and Irish ACA/FCA credential are substantially equivalent subject to the conditions set forth in this agreement and accompanying appendices.

Therefore, the Parties agree:

1. To create an abbreviated qualification pathway for eligible holders of the others’ credential.
   a. A holder of an Irish ACA/FCA credential will be eligible to obtain the US CPA credential via this agreement if the holder meets the eligibility requirements set out in Appendix 1A
   b. A holder of a US CPA credential will be eligible to obtain the Irish ACA/FCA credential via this agreement if the holder meets the eligibility requirements set out in Appendix 1B.

2. An eligible holder, as set out in 1 above, may obtain the other credential via the following abbreviated pathways.
   a. The abbreviated pathway to the US CPA credential for eligible holders of an Irish ACA/FCA credential is set out in Appendix 2A.
   b. The abbreviated pathway to the Irish ACA/FCA credential for eligible holders of a US CPA credential is set out in Appendix 2B.

3. To assist holders of the other’s credential, who are both eligible for the abbreviated pathway, as set out in 1 above, and who successfully complete the abbreviated pathway, as set out in 2 above, to obtain licensure in their respective jurisdictions.
   a. Appendix 3A sets out the process that an Irish ACA/FCA credential holder should follow to obtain licensure in the United States.
   b. Appendix 3B sets out the process that a US CPA credential holder should follow to obtain a license to practice public accounting (referred to as a practicing certificate) and a license to perform statutory audits in Ireland.

4. This agreement shall be in force for a period of five years from the date of last signature. This agreement may be renewed, or extended, through mutual agreement.

5. To inform the other Party, on an annual basis, if any:
   a. Material changes are made to the qualification requirements of their credential.
b. Mutual recognition agreements, reciprocal membership agreements, or other similar agreements are signed or renewed with other institutes or professional accountancy organizations.

c. New or existing pathways to membership or licensure for foreign credential holders are initiated or materially altered.

d. Strategic alliances, joint ventures, or material relationships with other institutes or professional accountancy organizations are initiated or materially altered.

6. Either Party may, with 60 (sixty)-days’ notice, withdraw their consent to this agreement for just cause.

___________________________________  ____________________________________
On behalf of  On behalf of National Association of
American Institute of State Boards of Accountancy.
Certified Public Accountants

___________________________________  ____________________________________
Date  Date

___________________________________  ____________________________________
On behalf of NASBA/AICPA On behalf of Chartered Accountants Ireland
International Qualifications Appraisal Board

___________________________________  ____________________________________
Date  Date
Appendix 1A

Eligibility Requirements for Members of Chartered Accountants Ireland

A holder of an Irish Chartered Accountant (ACA/FCA) credential may be eligible to obtain the US CPA credential via this agreement if they are a member in good standing of the Irish Institute and meet the additional criteria set out in each of the following sections and applicable state law.

1) Education Criteria:
The Uniform Accountancy Act (UAA) requires at least 150 semester hours of college or university education, including a baccalaureate or higher degree conferred by a college or university deemed acceptable by the State Board. US jurisdictions’ legal requirements are identical or similar to the education criteria set forth in this model law. Additionally, many US jurisdictions’ laws and State Board rules mandate the completion of specific coursework and the satisfaction of additional education criteria for licensure. Each individual US jurisdiction’s education requirements can be found in that jurisdiction’s laws and rules.

The Irish Institute allows for multiple entry routes to its ACA/FCA credential. All the entry routes require obtaining professional education from the Irish Institute, the passing of the Final Admitting Examination, practical experience and other requirements. This section only summarizes the educational components of each of the entry routes which are applicable under the terms of this agreement.

1. A relevant ordinary baccalaureate degree plus the completion of CA Proficiency 1 (CAP1) and CA Proficiency 2 (CAP2); or
2. A non-relevant ordinary baccalaureate degree plus the completion of CAP1 and CAP2; or
3. A relevant honours baccalaureate degree plus the completion of CAP2; or
4. A non-relevant honours baccalaureate degree plus a one year full time post graduate award plus the completion of CAP2; or
5. A relevant honours baccalaureate degree plus a relevant master’s degree.

2) Examination Criteria:
Under the UAA and under all US jurisdictions’ laws and rules, passage of the Uniform CPA Examination is a necessary prerequisite for licensure as a US CPA. Each individual US jurisdiction’s examination requirements can be found in that jurisdiction’s laws and rules.

To meet the examination criteria of the eligibility requirements of this agreement, Irish ACA/FCAs must have passed the Irish Institute’s Final Admitting Examination.

3) Experience Criteria:
Under the UAA, US CPAs must have at least one year of experience verified by a licensee of a State Board. This experience includes providing a service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, and meeting requirements prescribed by Board rule and state law. This experience may be acceptable if it was gained through employment in government, industry, academia or public practice. Each individual US jurisdiction’s experience requirements can be found in that jurisdiction’s laws and rules, which are generally similar or identical to the experience criteria set forth in the model UAA.
To meet the experience criteria of the eligibility requirements of this agreement Irish ACA/FCAs must have completed a minimum of three years relevant work experience prior to obtaining the ACA/FCA credential and being admitted to membership in the Irish Institute and an additional two years of relevant work experience after obtaining the ACA/FCA credential and being admitted to membership. Additional specific experience requirements may be required by the State Board from which the credential is sought. Some State Boards may exercise the authority to verify such experience and will determine how such verification will be performed, including working with NASBA’s Experience Verification Service.

4) Continuing Professional Education Criteria:
Under the UAA, compliance with continuing professional education (CPE) requirements are set by the State Boards. Each individual US jurisdiction’s requirements for CPE verification requirements can be found in that jurisdiction’s laws and rules.

To meet the CPE criteria of the eligibility requirements of this agreement, Irish ACA/FCAs must be in compliance with the CPE requirements of the Irish Institute.

Exclusions:
Irish ACA/FCAs who obtained their Irish credential by qualifying under a reciprocal agreement that the Irish Institute may have with another professional accountancy organization are not eligible under this agreement. This includes all mutual recognition agreements, reciprocal membership agreements, and other similar agreements which the Irish Institute may have, at any time, had.
Appendix 1B

Eligibility for Holders of a US CPA Credential

A holder of a US CPA credential may be eligible to obtain the Irish Chartered Accountant (ACA/FCA) credential via this agreement if they are in good standing with a State Board and meet the additional criteria set out in each of the following sections.

1) Education Criteria:
The Irish Institute’s Bye-Laws require that to obtain the Irish ACA credential, an individual must have obtained sufficient education as determined by their relevant entry route (as listed in Appendix 1A).

To meet the education criteria of the eligibility requirements of this agreement, US CPAs must have the equivalent of at least 150 semester hours of college or university education, including a baccalaureate or higher degree conferred by a college or university acceptable to a State Board.

US CPAs who qualified prior to the introduction of the 150 semester hour requirement are grandfathered into this agreement as having met the 150 semester hour requirement.

2) Examination Criteria:
The Irish Institute’s Bye-Laws require that to obtain the Irish ACA credential, an individual must pass the Final Admitting Examination.

To meet the examination criteria of the eligibility requirements of this agreement, US CPAs must have passed the Uniform CPA Examination.

In addition, US CPAs who wish to obtain a license to practice public accounting in Ireland must pass the Irish Aptitude Test (IAT) in Irish Tax and Law as explained in Appendix 2B.

3) Experience Criteria:
The Irish Institute’s Bye-Laws require that to obtain the Irish ACA credential, an individual must have a minimum of three years of practical experience in practice and/or business. Additional experience criteria apply for Irish ACA’s seeking a license to practice public accounting.

To meet the experience criteria of the eligibility requirements of this agreement, US CPAs must have three years of practical experience in the past ten years. Experience acquired in the US is acceptable and may be obtained through employment in government, industry, academia or public practice.

US CPAs who wish to obtain a license to practice public accounting in Ireland must also meet additional requirements outlined in Appendix 3B. Further, US CPAs who wish to obtain a license to perform statutory audits must meet different additional requirements outlined in Appendix 3B.
4) **Continuing Professional Education Criteria:**
The minimum requirement for continuing professional education that an Irish ACA must complete is set out in the Irish Institute CPD Regulations.

To meet the CPE criteria of the eligibility requirements of this agreement, US CPAs must be in compliance with the CPE requirements of their State Board.

**Exclusions:**
US CPAs who obtained their CPA credential by qualifying under a reciprocal agreement that the IQAB may have with another professional accountancy organization are not eligible under this agreement. This includes all mutual recognition agreements, reciprocal membership agreements, and other similar agreements which the IQAB may have, at any time, had.
Appendix 2A

Abbreviated Pathway to the US CPA Credential for Eligible Holders of an Irish ACA/FCA Credential

To obtain the US CPA credential, an Eligible Holder of an ACA/FCA credential must:
1. Pass the International Qualification Examination (IQEX); and
2. Upon successfully passing the IQEX, apply to a State Board.

To sit for the IQEX, an Eligible Holder must take the following steps (please note that the following list is not intended to be a comprehensive list):
1. Create an online user account\(^4\) with NASBA.
2. Complete an application form\(^5\).
3. Obtain a letter of good standing\(^6\) from the Irish Institute. This letter will confirm that the Eligible Holder has met the eligibility requirements set out in Appendix 1A and must be sent directly to NASBA by the Irish Institute.
4. Pay the requisite fees\(^7\).

The process for applying to a State Board differs depending upon the US jurisdiction to which an Eligible Holder applies. However, in general, an Eligible Holder must take the following steps (please note that the following list is not intended to be a comprehensive list, and licensure is fully at the discretion and direction of the State Boards and their authorizing statutes):
1. Select a State Board\(^8\) and complete the State Board’s application.
2. Request NASBA to report her/his IQEX score to the State Board.
3. Satisfy the State Board’s requirements which may include:
   a) Specific educational course work.
   b) Passing an ethics exam and/or CPE course.
   c) Providing evidence of the Eligible Holder’s good character and/or reconfirmation of some of the eligibility requirements set out in Appendix 1A.
   d) Providing evidence that the Eligible Holder is in compliance with the State Board CPE requirements.
   e) Paying the State Board’s fees.

\(^4\) Registering for a user account will allow an Eligible Holder to apply for the examination, maintain her/his current information, view her/his scores, check her/his application status and reprint her/his Notice to Schedule. Detailed information may be found at www.nasba.org.

\(^5\) The application form will require information which will allow NASBA to verify that the applicant has met all of the required eligibility requirements set out in Appendix 1A and information required to schedule the applicant’s IQEX. Detailed information may be found within the IQEX Candidate Bulletin at www.nasba.org.

\(^6\) A template letter of good standing with completion instructions and a form which Eligible Holders may send to the Irish Institute to request its completion may be found at www.nasba.org.

\(^7\) Fees charged for applying for the IQEX are changed periodically. A current list of fees, may be found at www.nasba.org.

\(^8\) While the AICPA and NASBA’s Boards have approved this agreement, it is up to each State Board, as directed by state law, to decide if they will adopt it. A current list of State Boards which will accept applications from Irish ACA/FCAs may be found within the IQEX Candidate Bulletin at www.nasba.org.
Appendix 2B

Abbreviated Pathway to the Irish ACA/FCA Credential for Eligible Holders of a US CPA Credential

To apply for membership of the Irish Institute and to obtain the Irish ACA credential an Eligible Holder of a US CPA credential must:

1. Complete the required admission application;
2. Pay the required fee; and
3. Obtain a letter of good standing from the Eligible Holder’s State Board. This letter should confirm that the Eligible Holder has met the eligibility requirements set out in Appendix 1B and must be sent directly to the Registry Department of the Irish Institute.

However, if the Eligible Holder wishes to practice public accounting in Ireland s/he must pass the Irish Aptitude Test (IAT) in Irish Tax and Law before applying for membership. The Law examination is offered in May and September each year and the Tax examination in June and October. Preparatory course materials may be purchased from the Irish Institute, if desired.

To apply to sit for the IAT, an Eligible Holder must:

1. Create an on-line user account on the Irish Institute’s website.
2. Obtain a letter of good standing from the Eligible Holder’s State Board. This letter should confirm that the Eligible Holder has met the eligibility requirements set out in Appendix 1B and must be sent directly to the Examinations Department of the Irish Institute.
3. Register with the Irish Institute’s Examinations Department to sit for the IAT and pay an examination fee.

Upon passing the IAT, the Eligible Holder wishing to practice public accounting in Ireland may apply for membership of the Irish Institute and to obtain the Irish ACA credential by:

1. Completing the required admission application;
2. Paying the required fee; and
3. Providing a copy of their IAT result to the Irish Institute’s Registry Department.

A second letter of good standing from the Eligible Holder’s State Board may be required if the application for a license to practice public accounting is made after some time has elapsed from when the Eligible Holder was admitted to membership.

The Eligible Holder wishing to practice public accounting in Ireland may then apply for a license to practice public accounting and a license to perform statutory audits by following the process set out in Appendix 3B.

An Associate (i.e. ACA credential holder) will become a Fellow (i.e. holder of the FCA credential) in accordance with the procedure as set out in Principal Bye-Law 32 of the Irish Institute’s Bye-Laws. In summary, this requires the ACA credential holder to complete ten years of membership of the Irish Institute and satisfy such other requirements as the Council may from time to time specify.

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9 All documents referred to in this appendix are available at www.charteredaccountants.ie.
10 www.charteredaccountants.ie
Appendix 3A

Process to Obtain Licensure in the US for Eligible Holders of an Irish ACA/FCA Credential

In the United States, the US CPA credential is a license to practice public accounting, issued by a US jurisdiction, valid for use in such jurisdiction.

Upon completing the Abbreviated Pathway and successfully applying to a State Board (as set out in Appendix 2A), the Eligible Holder of the Irish ACA/FCA credential may receive a CPA license in a US jurisdiction.

Once licensed, CPA licensees are under the auspices of, and subject to, federal laws and regulations, state laws, regulations, and policies. Maintenance of the license requires meeting periodic renewal requirements, including timely completion of renewal forms, continuing professional education and payment of fees. In some instance, obtainment of a firm license, in addition to an individual license, will be necessary to legally provide certain restricted services in US jurisdictions.
Appendix 3B

Process to Obtain Licensure in Ireland for Eligible Holders of a US CPA Credential

License to Practice Public Accounting
The Irish Institute requires that Irish ACAs who wish to obtain a license to practice public accounting – referred to as a Practicing Certificate - be members of the Irish Institute and have two additional years of experience in public practice after their admission to membership.

To be eligible for a Practicing Certificate, a US CPA must:
1. Meet the eligibility criteria for US CPAs who wish to obtain a license to practice public accounting in Ireland as set out in Appendix 1B;
2. Be able to demonstrate that they have at least three years of practical experience including at least two years of practical experience that were obtained subsequent to passing the Uniform CPA examination. None of the practical experience has to be obtained by working in Ireland; practical experience obtained by working in the US is acceptable.
3. Be admitted to membership of the Irish Institute as set out in Appendix 2B.

To obtain a Practising Certificate, a US CPA must:
1. Complete the required Practicing Certificate application form available from the Professional Standards Department of the Irish Institute.\(^\text{11}\)
2. Pay the required fee.

License to Perform Statutory Audits


A US CPA will be eligible for a license to perform statutory audits in Ireland if s/he meets the criteria set out in SI 312.

In summary, the SI 312 criteria focus on:
- **Education:**
  - The US CPA must be able to demonstrate that s/he has passed an examination covering the subjects set out in Schedule 1 of SI 312\(^\text{12}\); and
- **Experience:**
  - The US CPA must be able to demonstrate s/he has three years of practical experience in audit, including at least two years of practical experience that

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\(^{11}\) All documents referred to in this appendix are available at [www.charteredaccountants.ie](http://www.charteredaccountants.ie).

\(^{12}\) The Irish Institute will provide a link to their website where the Schedule of SI 312 dealing with the exam will be posted.
were obtained with a statutory auditor or audit firm approved in an EU member state.

- In addition the applicant must be able to demonstrate that s/he has recent audit experience in an EU member state. Recent audit experience is defined as at least two years of audit experience within the last four years.
- The Irish Institute’s interpretation of SI 312 is that SI 312 does not permit practical experience obtained in the United States to satisfy these experience requirements.