

MEMORANDUM OF UNDERSTANDING

Recommended by

Chartered Professional Accountants of Canada

and

Chartered Professional Accountants of Bermuda

and

US International Qualifications Appraisal Board

Representing

**National Association of
State Boards of Accountancy**

and

**American Institute of
Certified Public
Accountants**

MEMORANDUM OF UNDERSTANDING

Introduction

The Mutual Recognition Agreement Recommended by Comité Mexicano para la Práctica Internacional de la Contaduría and Instituto Mexicano de Contadores Públicos, A.C. and CPA Canada (MRA) is an agreement between the US IQAB, representing the National Association of State Boards of Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA); the Comité Mexicano para la Práctica Internacional de la Contaduría (COMPIC) and the Instituto Mexicano de Contadores Públicos, A.C. (IMCP), representing Mexico, and CPA Canada, representing itself and the ten Provincial Chartered Professional Accounting bodies and the Yukon Territory Chartered Professional Accountants body and the accounting body of the Northwest Territories and Nunavut.

The MRA grants respectively the US CPA, Canadian CPA, and Mexican CPC credentials, and either grant licenses to practice, grant access to audit and to other services requiring provincial registration or licensure, or their members have access to a license to practice. The Chartered Professional Accountants of Bermuda (CPA Bermuda) is affiliated with the CPA Canada under an affiliation agreement, and its members are also members of the CPA Canada. This Memorandum of Understanding (MOU) details the abbreviated pathway for US CPAs who wish to obtain the Bermudian CPA credential, and Bermudian CPAs who wish to obtain the US CPA credential, and only covers eligible individuals who hold one of these two credentials.

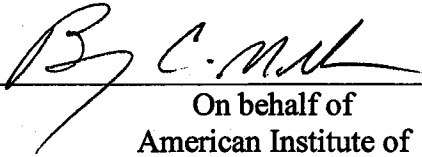
Basis of Agreement

The MRA established that the US CPA credential and Canadian CPA credential are substantially equivalent subject to the conditions set forth within the MRA. Therefore, the signatories to this MOU agree that:

1. Qualified chartered professional accountants licensed by CPA Bermuda who also hold the CPA Canada credential may, by meeting the conditions outlined in appendices 1A – Part 1, 2A, and 3A of the MRA, obtain a US CPA credential.
2. Qualified US certified public accountants who meet the conditions set forth in appendix 1C – Part 1 of the MRA may:
 - a. By meeting the conditions outlined in appendix 1 of the MOU, obtain a Bermudian CPA credential; and
 - b. By meeting the conditions outlined in appendix 2 of the MOU, obtain a license to practice public accounting in Bermuda.
3. The MOU shall immediately terminate if either:
 - a. The MRA expires, is not renewed, or is terminated; or

- b. The affiliation agreement between CPA Canada and CPA Bermuda is materially changed after the date of the MOU's execution and, as a result, the US IQAB, at its sole discretion, decides to terminate the MOU; or
 - c. The US IQAB or CPA Bermuda, with 60 (sixty)-days' notice, withdraw their consent to the MOU.
4. CPA Canada will inform the US IQAB of any material changes to its affiliation agreement with CPA Bermuda within 30 days of CPA Canada becoming aware of those changes.
 5. To be eligible for this MOU applicants must affirm that they are capable of performing audit and attest services based on their competence to complete such services according to the relevant professional standards¹, including having the requisite additional experience/training necessary for such work.
 6. Bermudian CPAs who obtained their Bermudian credential by qualifying under a reciprocal agreement that CPA Bermuda may have with another professional accountancy organization are not eligible under this MOU. This includes all mutual recognition agreements, reciprocal membership agreements, and other similar agreements which CPA Bermuda may have, at any time, had.

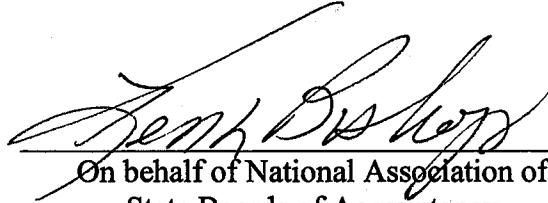
¹ US CPAs generally practice under standards set by the Financial Accounting Standards Board, the Public Company Accounting Oversight Board, the AICPA, and the International Accounting Standards Board. Canadian and Bermudian CPAs generally practice under standards set by the Accounting Standards Board, the International Accounting Standards Board, U.S. Financial Accounting Standards Board, the Public Sector Accounting Standards Board, and the Auditing and Assurance Standards Board.



On behalf of
American Institute of
Certified Public Accountants

10/20/18

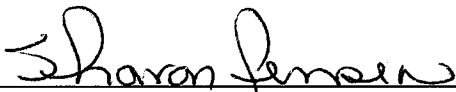
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On behalf of National Association of
State Boards of Accountancy

10/29/18

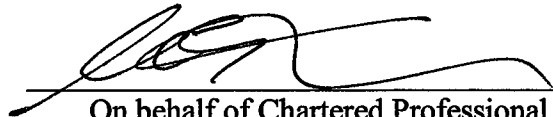
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On behalf of US
International Qualifications Appraisal Board

November 28, 2018

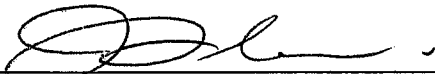
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On behalf of Chartered Professional
Accountants of Bermuda

October 30, 2018

Date



On behalf of Chartered Professional
Accountants Canada

11/17/2018

Date

Appendix 1

Abbreviated Pathway to the Bermudian CPA Credential for Eligible Holders of a US CPA Credential

When reading Appendices 1 and 2, “Eligible Holder” should be understood as a US CPA credential holder who has met the relevant criteria set out in Appendix 1C of the MRA.

To obtain the Bermudian CPA credential, an Eligible Holder must be employed or have an offer of employment in Bermuda and become a member of CPA Bermuda by:

1. Completing an International Candidate Application Form and sending it to CPA Bermuda.
2. Completing a Certification by a US State Board of Accountancy Form or a Certification of Membership in an Accounting Body Outside Canada Form (as applicable) or a letter of good standing with the required information. An applicant is required to provide confirmation that the applicant is a CPA in good standing with a State Board of Accountancy as appropriate. Such confirmation must be provided by the State Board of Accountancy directly to CPA Bermuda.
3. Providing proof of legal name as evidenced by acceptable government-issued documentation.
4. Providing a detailed chronological resume listing all relevant work experience.
5. Completing a Practical Experience Certificate for Internationally Trained Candidates for all relevant accounting experience to demonstrate that the Bermudian CPA experience requirements have been met. This requirement will be waived for all applicants with 2 years relevant post qualification work experience as evidenced by the detailed chronological resume required in 4.
6. Paying the appropriate fee as determined by the applicable CPA Bermuda.
7. Any additional requirements as prescribed by CPA Bermuda.

Maintenance of Membership

In order to maintain membership in CPA Bermuda, members must be employed² or have an offer of employment in Bermuda. In addition, CPA Bermuda members must maintain professional competence by keeping informed of, and complying with, developments in professional standards in all functions in which the member provides professional services or is relied upon because of the member’s calling, as required under CPA Bermuda standards.

Requirements for CPA Bermuda Membership Portability to Canada

If the applicant desires to obtain the Canadian CPA credential, they must follow the abbreviated qualification pathway outlined in the aforementioned MRA.

² Periods of temporary unemployment (i.e. while on parental leave or while looking for new employment upon termination) are permitted and will be considered on a case-by-case basis.

Appendix 2

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

In Bermuda, both the right to use the CPA Credential and the right to be registered as a CPA or the right to audit and to perform other professional services or obtain licensure are granted by CPA Bermuda.

Upon completing the Abbreviated Pathway as set out in Appendix 1 of the MOU, the Eligible Holder of the US CPA credential may receive a license to practice public accounting in Bermuda if that holder is employed or has an offer of employment in Bermuda and meets the following criteria:

1. Meets the Bermudian experience requirements for public accounting which are 1,250 chargeable hours in assurance, of which a minimum of 625 hours must be obtained in the audit of historical financial information.
 - a) Appropriate audit experience obtained in the US may count towards meeting the above 1,250/625 chargeable hours' requirement.
 - b) Appropriate audit experience must be within 5 years of application to CPA Bermuda.

In order to maintain their license, eligible holders must be employed or have an offer of employment in Bermuda.