

MUTUAL RECOGNITION AGREEMENT

Recommended by

The New Zealand Institute of Chartered Accountants

and

The U.S. International Qualifications Appraisal Board

Representing

The National Association of
State Boards of Accountancy

and

The American Institute of
Certified Public Accountants

NASBA

AICPA

Mutual Recognition Agreement

Introduction

The National Association of State Boards of Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA) have jointly established the United States International Qualifications Appraisal Board (U.S. IQAB) to eliminate impediments to reciprocity by serving as the link between the accounting profession in the United States and the accounting profession in countries seeking mutual recognition of accounting qualifications.

The U.S. IQAB and the New Zealand Institute of Chartered Accountants (NZICA) have achieved consensus on principles of reciprocity to be recommended to the NZICA and to the individual U.S. State Boards of Accountancy. The recommendations which follow have been approved by the Boards of Directors of NASBA, the AICPA, and the NZICA.

The NZICA is empowered to issue the Chartered Accountant (CA) designation to qualified applicants. The United States has 55 jurisdictions, and their State Boards of Accountancy or their equivalents in each jurisdiction are legislatively empowered to grant the Certified Public Accountant (CPA) designation and license to practice accountancy, subject to the laws and regulations in each jurisdiction. To promote reciprocity, the U.S. IQAB and the NZICA recommend the adoption of the following principles for the mutual recognition of the CA and the CPA designations.

Basis of Recognition

Education, examination, and experience are the principal elements considered in granting the CA and CPA designations. In New Zealand, qualifications as a Chartered Accountant include the candidate's completion of (A) four years of approved degree-level study at an approved tertiary including a bachelor's degree and coverage of required topics; (B) the Professional Competence Program (the part-time postgraduate courses administered by the NZICA) which is completed while working under the supervision of a Chartered Accountant; and (C) three years of experience, two of which are with the supervision of a mentor in an accredited training organization. In the United States, the educational and experience requirements vary among jurisdictions, with all jurisdictions requiring the successful completion of the Uniform CPA Examination.

The U.S. IQAB has reviewed the educational requirements, the required body of knowledge and the required standards of professional practice with respect to the granting of the CA designation in New Zealand. The NZICA has reviewed the educational requirements, the required body of knowledge and the required standards of professional practice with respect to the granting of the CPA designation in the United States. The following paragraphs set forth the equivalency in each of the three areas of education, examination, and experience.

Education

The Parties agree that New Zealand CAs who hold a baccalaureate degree with an approved major in accounting or a baccalaureate non-accounting degree with completion of approved courses, either qualification having been obtained at an institution accredited by the NZICA and including four years of study, plus completion of the Professional Competence Program shall be considered to have satisfied an education requirement equivalent to the 150-hour education requirement as defined in the Uniform Accountancy Act, Article 5, Rules 5-1 and 5-2, Fifth Edition. The Parties further agree that CPAs who have successfully completed a baccalaureate degree at an accredited institution combined with a concentration in

accounting or a 150-hour educational requirement as defined by the current Uniform Accountancy Act be considered to have satisfied the educational requirements for full reciprocity in New Zealand.

Examinations

The Parties agree that CAs who have successfully completed the CA PCE # 1 and PCE # 2 (Professional Competency Exams) and CPAs who have successfully completed the U.S. Uniform CPA Examination should not be required to complete the other jurisdiction's examinations in order to achieve the professional designation of the jurisdiction into which entry is being sought.

All applicants for reciprocity shall, however, be required to pass an examination or examinations within courses designed to assure that applicants have satisfactory knowledge of relevant local and national legislation, standards and practices in the jurisdiction being entered.

The U.S. IQAB, or such other body as the U.S. IQAB may designate from time to time, should periodically review the NZICA's modules, including the body of knowledge to be tested, the policies and procedures for its construction, administration, security and oversight, to provide assurance to State Boards of Accountancy that the CA Program assessments can be relied upon as an appropriate test of the qualifications of CA candidates. The NZICA's Admissions Board, or such other body as may be designated from time to time, should complete similar reviews of the U.S. Uniform CPA Examination, including the body of knowledge to be tested, the policies and procedures for its construction, administration, security and oversight, to provide a similar assurance to the NZICA that the Uniform CPA Examination is an appropriate test of the qualifications of CPA candidates.

Experience

The Parties agree that the completion of a minimum period of accounting experience within the U.S.A. as a requirement for original CPA qualification or within New Zealand as a requirement for original CA qualification will be prescribed as a condition for receiving reciprocity in the New Zealand or U.S. jurisdiction(s) into which entry is sought.

Ordinarily, the amount and nature of accounting experience completed within the country of the jurisdiction granting the original designation must be equivalent to the experience requirement of the jurisdiction granting the reciprocal designation and must have been obtained under the supervision or direction of a CA or CPA in the original jurisdiction. If either the amount or nature of the accounting experience acquired by an applicant in the jurisdiction of original designation does not meet the requirements of the jurisdiction granting the reciprocal designation, the applicant may be permitted to complete prescribed supervised relevant accounting experience in the jurisdiction into which entry is sought before becoming eligible to receive the applicable CA or CPA designation.

The two years post-admission acceptable public practice practical experience requirement for a New Zealand practicing certificate (CPP) will be waived for a CPA who can provide documentation of equivalent practice experience in the U.S.

Practical Experience Waiver

The Parties to this agreement, in order to facilitate reciprocity, mutually agree that CAs or CPAs who have acceptable accounting or accounting related experience during four of the last ten years within their jurisdiction and hold a current CPA or CA designation, shall be granted full reciprocity in the jurisdiction into which entry is being sought and receive the applicable CA or CPA designation subject only to their

successful completion of a qualifying examination or examination within courses on local law and/or taxation, as may be deemed necessary.

Continuing Professional Development

Each party recognized the CPD requirements of the other party. If an individual holds dual recognition, and satisfies the CPD requirements and obligations of one designation, the other body will recognize this as equivalent to meeting its own CPD requirements.

Reciprocal Eligibility

Each party will assess individual applications for recognition from the other body. In assessing such applications, each party will seek verification from the qualifying body that the applicant is a member in good standing with the other body. Each party agrees to provide such verification on a timely basis when requested. Each party reserves the right to require individuals applying to the other body under the terms of this agreement to maintain their affiliation with the original qualifying body. Both parties agree to facilitate the process of obtaining audit rights for those individuals covered by this agreement.

Exclusion of Third Party Recognition

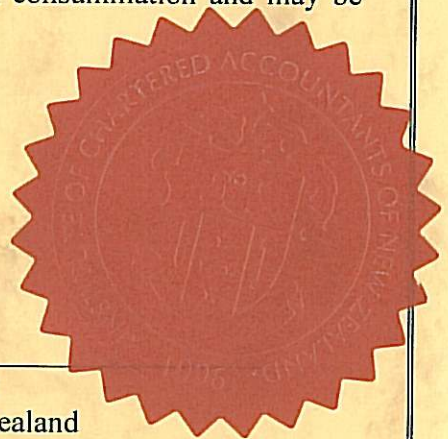
This agreement does not apply to individuals who have gained recognition by either body through another agreement with a third party.

Expiration

This agreement shall be in force for a period of five years from the date of consummation and may be renewed or extended through mutual agreement of the Parties.

Termination

The Parties may withdraw their consent to this agreement for just cause.





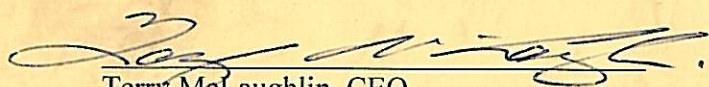
William Treacy, Chair
On behalf of the U.S. International
Qualifications Appraisal Board

12th Aug. 2009
Date



Linda Turner, President
On behalf of the New Zealand
Institute of Chartered Accountants

12 Aug 2009
Date



Terry McLaughlin, CEO
On behalf of the New Zealand
Institute of Chartered Accountants

12 Aug 2009
Date