

MUTUAL RECOGNITION AGREEMENT

Recommended by

**Institute of Certified Public Accountants in Ireland
(CPA Ireland)**

and

International Qualifications Appraisal Board

Representing

**National Association of
State Boards of Accountancy**

and

**American Institute of
Certified Public
Accountants**

NASBA

AICPA

MUTUAL RECOGNITION AGREEMENT

Introduction

The State Boards of Accountancy or their equivalent in each of the United States' jurisdictions (known collectively as the "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 Institute of Certified Public Accountants in Ireland (CPA Ireland) is a Recognized Accountancy Body in Ireland and is permitted under the Companies Act 2014 to authorise its members as statutory auditors. The State Boards and CPA Ireland grant respectively the US CPA and Irish CPA 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 jurisdiction (US CPA credential); and
2. Enable US CPAs to obtain foreign professional accounting credentials and the right to practice through similar abbreviated pathways.

CPA Ireland is a Recognized Accountancy Body in Ireland and is permitted under law to authorise and regulate its members to act as statutory auditors in Ireland. CPA Ireland exercises these functions in accordance with its Constitution and Bye- Laws. Such Constitution and Bye-Laws are approved by CPA Ireland's Council and the Irish Auditing and Accounting Supervisory Authority in Ireland (IAASA).

Believing that there are US CPAs who desire to obtain the Irish CPA credential alone or the Irish CPA credential with Practising Certificate, or the Irish CPA credential with Practising Certificate and Audit Qualification, and Irish CPAs who desire to obtain the US CPA credential, the IQAB and CPA Ireland (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.

Eligibility of Applicants under this Agreement:

To be eligible for this agreement, candidates must affirm that they are competent to perform the services offered according to the relevant professional standards,¹ including having the requisite additional experience/training necessary for such work.

¹ 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 CPAs generally practice according to accounting standards issued by the Financial Reporting Council (FRC) or the International Accounting Standards Board (IASB) as relevant, all auditing and ethical standards issued by IAASA and all quality control standards issued by IAASA as relevant and the applicable Code of Ethics and relevant legislation]

CPA Ireland Undertaking

The European Union (EU) has requirements regarding the experience and education necessary to be eligible for appointment as a statutory auditor in any EU Member State². In Ireland this has been brought into law by the Companies Act 2014 (the Act).

In summary, the Act requires Irish CPA 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.

CPA Ireland's interpretation of the Act is that it does not permit practical experience obtained in the United States to satisfy the above requirements.

Within the term of this agreement:

1. CPA Ireland undertakes to seek a determination from the Irish Auditing & Accounting Supervisory Authority (IAASA) to grant CPA Ireland 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, CPA Ireland 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) and,
3. CPA Ireland undertakes to report to the IQAB on its progress on these undertakings on an annual basis.

When the term of this MRA concludes, if practical audit experience obtained in the US is not recognized as sufficient for the experience requirements needed for the Practicing Certificate and audit qualification, the Parties acknowledge that this MRA may not be renewed.

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 processes, organizational structure, administrative responsibilities and other credential maintenance requirements to their own corresponding requirements.

The IQAB compared CPA Ireland's 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.³

CPA Ireland compared the UAA requirements to education, examination, and practical experience requirements of CPA Ireland's Bye-Laws.

² Per European Union Directive 2006/43/EC, as amended by Directive 2014/56/EU.

³ To access the laws and rules of each jurisdiction visit: <https://nasba.org/stateboards/>.

Basis of Recognition

As a result of these reviews, the Parties are satisfied that the US CPA credential and Irish CPA 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 other's credential:
 - a. A holder of an Irish CPA 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 CPA 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 CPA credential is set out in Appendix 2A.
 - b. The abbreviated pathway to the Irish CPA 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 CPA 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 practising certificate to engage in public practice and an audit qualification for the provision of auditing services in Ireland.
4. This agreement shall be in force through December 31, 2024. This agreement may be renewed, or extended, through mutual agreement.
5. To inform the other Party, no later than May 1 of each year, of:
 - a. Material changes made to the qualification requirements of their credential.
 - b. Mutual recognition agreements, reciprocal membership agreements, or other similar agreements that are signed or renewed with other institutes or professional accountancy organizations, subject to compliance with any obligations of confidentiality.
 - c. New or existing pathways to membership or licensure for foreign credential holders that are initiated or materially altered.
 - d. Strategic alliances, joint ventures, or material relationships with other institutes or professional accountancy organizations that are initiated or materially altered, subject to compliance with any obligations of confidentiality.

- e. The number of members from the other Party's jurisdiction who have applied and/or received the credential, as well as those who have obtained a license to practice.
- 6. Either Party may, with 60 (sixty)-days' notice, withdraw their consent to this agreement.
- 7. Where personal data of an individual is required to be disclosed by one party (the discloser) to the other party (the recipient) under the terms of this Agreement, the discloser agrees to obtain and document the individual's specific, express, and written consent to the disclosure of such personal data prior to disclosing it to the recipient.
- 8. For the purposes of clause 7, personal data means any information relating to an identified or identifiable natural person ("data subject"); an identifiable person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that person.

By C. Mel

On behalf of
American Institute of
Certified Public Accountants

Jan K. Brooks

On behalf of National Association of
State Boards of Accountancy

May 31, 2022

Date

5/31/22

Date

Sharon A Jensen

On behalf of NASBA/AICPA
International Qualifications Appraisal Board

Tina Sullivan

On behalf of Institute of Certified Public
Accountants in Ireland

March 17, 2022

Date

31 May 2022

Date

Appendix 1A

Eligibility Requirements for Holders of an Irish CPA Credential

A holder of the Irish CPA Credential may be eligible to obtain the US CPA credential via this agreement if he or she is a member in good standing of CPA Ireland and meets all the additional criteria set out in each of the following sections and applicable US jurisdictions' laws and State Board rules.

1) Education Criteria:

The 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 the UAA. 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.⁴

To meet the education criteria of the eligibility requirements of this agreement, an Irish CPA must:

- 1. Hold at least a baccalaureate or higher degree; and**
- 2. Have completed CPA Ireland's Professional Accountancy Qualification Programme, including Financial Reporting, Audit and Assurance, and Taxation courses at the final examination level. For the purposes of this MRA, only exemptions received via coursework at approved colleges/universities will be accepted.**

2) Examination Criteria:

Under the UAA and under all US jurisdictions' laws and State Board 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, an Irish CPA must have completed CPA Ireland's Professional Accountancy Qualification Programme, including Financial Reporting, Audit and Assurance and Taxation courses at the final examination level. For the purposes of this MRA, only exemptions received via coursework at approved colleges/universities will be accepted.

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 a US jurisdiction's laws and State Board rules. This experience may be acceptable if it was gained through employment in government, industry, academia or public practice. Each individual US jurisdiction's experience

⁴ To access the laws and rules of each jurisdiction visit: <https://nasba.org/stateboards/>.

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, an Irish CPA must have completed a minimum of three years relevant work experience prior to obtaining the Irish CPA credential and being admitted as a member of CPA Ireland and an additional two years of relevant work experience after obtaining the Irish CPA credential and being admitted as a member of CPA Ireland.

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 can be found in that jurisdiction's laws and rules.

To meet the CPE criteria of the eligibility requirements of this agreement, Irish CPAs must be in compliance with the continuing professional development (CPD) requirements of CPA Ireland.

Exclusions:

Irish CPAs who obtained their Irish CPA credential by qualifying under a reciprocal agreement that CPA Ireland 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 CPA Ireland may have or have had at any time.

Appendix 1B

Eligibility Requirements for Holders of a US CPA Credential

A holder of a US CPA credential may be eligible to obtain the Irish CPA credential under this agreement if he or she is in good standing with a State Board and meets the additional criteria set out in each of the following sections.

Additional requirements, set out in Appendix 3B, are required of all US CPAs who wish to obtain a Practising Certificate with Audit Qualification, to enable them to provide statutory audit services in Ireland.

1) Education Criteria:

CPA Ireland's Bye-Laws require that to obtain the CPA Ireland credential an individual must have obtained sufficient education so as to have passed the CPA Ireland examinations.

To meet the education criteria of the eligibility requirements of this agreement, US CPAs must have a baccalaureate or higher degree conferred by a college or university acceptable to a State Board and must have met the applicable semester hour requirement at the time of licensure.

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:

To meet the examination criteria, CPA Ireland's Bye-Laws require an individual to pass the Strategic level examinations.

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

3) Experience Criteria:

It is required by CPA Ireland's Bye-Laws that an individual must have a minimum of three years of practical experience in practice and/or business before being eligible to apply for the CPA Ireland credential. Additional experience criteria apply for CPA Ireland members seeking a license to practice public accounting.

To meet the experience criteria of the eligibility requirements of this agreement, US CPAs must have one year 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.

4) Continuing Professional Development Criteria:

Irish CPAs must comply with the continuing professional development (CPD) requirements of CPA Ireland which are set out in CPA Ireland's Bye-Laws.

To meet the CPD criteria of the eligibility requirements of this agreement, US CPAs must be in compliance with the continuing professional education (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 or have had at any time.

Appendix 2A

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

To obtain the US CPA credential, an eligible holder of an Irish CPA 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 comprehensive):

1. Create an online user account⁵ with NASBA.
2. Complete an application form.⁶
3. Obtain a letter of good standing⁷ from CPA Ireland. 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 CPA Ireland.
4. Pay the requisite fees.⁸

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 comprehensive, and licensure is fully at the discretion and direction of the State Boards and their authorizing statutes):

1. Select a State Board⁹ 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.

⁵ 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.

⁶ 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.

⁷ A template letter of good standing with completion instructions and a form which eligible holders may send to CPA Ireland to request its completion may be found at www.nasba.org.

⁸ Fees charged for applying for the IQEX are changed periodically. A current list of fees may be found at www.nasba.org.

⁹ While the AICPA and NASBA's Boards have approved this agreement, it is up to each US jurisdiction as directed by their law, to decide if they will adopt it. A current list of US jurisdictions which will accept applications from Irish CPAs may be found within the IQEX Candidate Bulletin at www.nasba.org.

Appendix 2B

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

To apply for the Irish CPA credential, an eligible holder of a US CPA credential must take the following steps:

1. Complete the required admission application;
2. Pay the required fee; and
3. Obtain a current 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 CPA Ireland.

If the eligible holder wishes to practice public accounting without audit qualification in Ireland s/he must pass the CPA Ireland online test in Irish Tax and Law before applying for membership as outlined in Appendix 3B.

Appendix 3A

Process to Obtain Licensure in the US for Eligible Holders of an Irish CPA 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 CPA credential may receive a CPA license in a US jurisdiction.

Once licensed, CPA licensees are under the auspices of, and subject to, all relevant federal laws and regulations, US jurisdictions' 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 instances, 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 a Practising Certificate in Ireland for Eligible Holders of a US CPA Credential

Practising Certificate (PC)

Members of CPA Ireland who wish to practice public accounting must obtain a Practising Certificate (PC). CPA Ireland defines public practice as practice as a public accountant in the capacity of sole principal, in partnership or through the medium of a body corporate or otherwise, and includes provisions of services such as auditing, accounting, taxation, management consultancy and company secretarial services¹⁰.

To obtain the PC, a US CPA must:

1. Provide a current letter of good standing from his/her State Board. This letter should confirm that the applicant has met the eligibility requirements set out in Appendix 1B and must be sent directly to CPA Ireland.
2. Register to sit for CPA Ireland's Online Tax and Law courses.
3. Upon passing CPA Ireland's Online Tax and Law courses, apply for membership of CPA Ireland as outlined in Appendix 2B.

Practising Certificate with Audit Qualification

In order for an individual to be eligible to provide statutory audit services in Ireland, they must be approved as a statutory auditor by a Recognized Accountancy Body (RAB).

CPA Ireland, as a RAB, requires that an Irish CPA who wishes to be approved as a statutory auditor must first be granted a Practising Certificate with Audit Qualification. They must be members of CPA Ireland and have two additional years of experience in public practice after their admission to membership.

To obtain the Practising Certificate with Audit Qualification, to be approved as a statutory auditor, 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 admitted to membership of CPA Ireland as set out in Appendix 2B.
3. Pass the Irish Aptitude Test.¹¹
4. Be able to demonstrate that they have at least three years of practical experience including at least two years of post-qualification experience in an EU member state, per Schedule 19 of the Companies Act 2014.¹²

¹⁰ For more information, please see "Practising and Auditing Certificates":

<https://www.cpairland.ie/CPAIreland/media/Professional-Standards/Members%20in%20Practice/Going%20into%20Practice/public-practice-a-definition.pdf>

¹¹ The Irish Aptitude Test is approved by the Irish Auditing & Accounting Supervisory Authority (IAASA).

¹² *Standards relating to practical experience and education*

In Ireland certain companies are required by Irish law to appoint a statutory auditor. The provisions of the Irish legislation derive from European Union Directive 2006/43/EC as amended by Directive 2014/56 EU. The directive and the Irish legislation, namely Schedule 19 of the Companies Act 2014 (Schedule 19), include criteria regarding the education and experience necessary for statutory auditors.

A US CPA will be eligible for a license to perform statutory audits in Ireland if they meet the criteria set out in Schedule 19.

5. Complete the required application form available from CPA Ireland.
6. Pay the required fees

In summary, the Schedule 19 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 19; 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 were obtained with a statutory auditor or audit firm approved in an EU member state. The applicant must be able to demonstrate that s/he has recent audit experience in an EU member state.