

MUTUAL RECOGNITION AGREEMENT

Recommended by

CPA Australia Ltd

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. CPA Australia Ltd (CPA Australia) is empowered to issue the Certified Practising Accountant designation to qualified applicants. The State Boards and CPA Australia grant respectively the US CPA and Australian 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 Australia, under its Constitution and By-Laws, has the authority to make:

1. Rules regarding criteria for membership of CPA Australia, including setting rules regarding examinations and the period of approved service, the entitlement to be called a Certified Practising 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 CPA Australia.

Believing that there are a significant number of US CPAs who desire to obtain the Australian CPA credential including the CPA Australia Public Practice Certificate and Registered Company Auditor status in Australia and Licensed Auditor status in New Zealand , and a significant number of Australian CPAs who desire to obtain the US CPA credential, the IQAB and CPA Australia (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 capable of performing audit and attest services based on their competence to complete such services according to the relevant professional standards,¹ including having the requisite additional experience/training necessary for such work.

CPA Australia's Undertaking

The Australian Securities and Investments Commission (ASIC) is Australia's corporate, markets and financial services regulator. ASIC regulates the licensing of certain prescribed services, such as Registered Company Auditors (RCA) in Australia. ASIC has requirements regarding the experience necessary to be eligible for appointment as a RCA in Australia.

Generally, a US CPA must demonstrate the obtainment and detail of at least 3,000 hours (i.e., 2 years and 8 months) of work experience auditing reporting entities, during the 5 years immediately before the date of their application, either in the US or Australia. At least 12 months of the 3,000 hours must be practical experience obtained in Australia supervised by another RCA.

Within the term of this agreement:

1. CPA Australia undertakes to seek a determination from the ASIC to recognize practical audit experience obtained in the US towards the above noted 12-month practical audit experience requirement for the Registered Company Auditor qualification.
2. CPA Australia undertakes to report to the IQAB on its progress on this undertaking on an annual basis.

IQAB's Undertaking

Within the term of this agreement, the IQAB undertakes to renegotiate Appendix 1 of this agreement with the aim of expanding access to this agreement to CPA Australia members who are not citizens of Australia or New Zealand; or holders of visas granting legal residency in Australia or New Zealand.

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.

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. CPA Australia members must generally practice in Australia under standards issued by CPA Australia (Constitution & By-Laws), Accounting Professional & Ethics Standards Board, Australian Accounting Standards Board and the Australian Auditing & Assurance Standards Board. In New Zealand, CPA Australia members must generally practice under standards issued by CPA Australia (Constitution & By-Laws), Professional and Ethical Standards issues by the External Reporting Board, Financial Markets Conduct Act 2013, Financial Reporting Act 1993 and 2013, Auditor Regulation Act 2011, and the Financial Markets Authority.

The IQAB compared CPA Australia'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.²

CPA Australia compared the UAA requirements to the education, examination and experience requirements of CPA Australia's professional qualification program (CPA Program).

Basis of Recognition

As a result of these reviews, the Parties are satisfied that the US CPA credential and Australian 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 others' credential:
 - a. A holder of an Australian 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 Australian CPA credential via membership with CPA Australia 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 Australian CPA credential is set out in Appendix 2A.
 - b. The abbreviated pathway to the Australian CPA credential via membership with CPA Australia 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 Australian 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 CPA Australia Public Practice Certificate and Registered Company Auditor status in Australia and/or Licensed Auditor status in New Zealand.
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:

² To access the laws and rules of each jurisdiction visit: <https://nasba.org/stateboards/>.

- 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, subject to compliance with any obligations of confidentiality.
 - 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, subject to compliance with any obligations of confidentiality.
6. Either Party may, with 60 (sixty)-days' notice, withdraw their consent to this agreement.
7. A decision by CPA Australia or the State Boards not to provide the other Party's CPA credential to an eligible person in circumstances where there are reasonable concerns that the eligible person may not uphold the standards required to hold the relevant CPA credential (even if the person is otherwise deemed to have fulfilled the entry requirements) is not a breach of this agreement. In such event, either Party may raise concerns with the other Party and the Parties will work in good faith to address the matter.
8. Each Party will, in their dealings with the other Party under this agreement, comply with privacy, spam and data security laws and regulations that it deems applicable.
9. No variation or waiver of any provision or condition of this agreement will be effective unless it is in writing and signed by or on behalf of each of the Parties (or, in the case of a waiver, by or on behalf of the Party waiving compliance).

By C. ml
On behalf of
American Institute of
Certified Public Accountants

Gen. L. Bishop
On behalf of National Association of
State Boards of Accountancy.

May 19, 2018
Date

May 8, 2018
Date

Sharon A Jensen
On behalf of NASBA/AICPA
International Qualifications Appraisal Board

Kate Wilson
On behalf of CPA Australia

May 7, 2018
Date

4th June 2018.
Date

Appendix 1A

Eligibility Requirements for Members of CPA Australia

An Australian CPA may be eligible to obtain the US CPA credential via this agreement if he or she is either a citizen of Australia or New Zealand; or a holder of a visa granting legal residency in Australia or New Zealand, is a member in good standing of CPA Australia, and meet 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.³

CPA Australia allows for multiple entry routes to its CPA credential. At a minimum, an Australian CPA must:

1. Hold at least a baccalaureate or higher degree; and
2. Have completed CPA Australia's CPA Program.

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.

Advanced Taxation and / or Advanced Audit and Assurance are compulsory subjects of CPA Australia's CPA Program if recognized studies have not been completed in University in advanced taxation and / or advanced auditing.

To meet the examination criteria of the eligibility requirements of this agreement, Australian CPAs must have passed CPA Australia's CPA Program, which comprises the following subjects:

- Two elective subjects from the following list of subjects:
 - Financial Planning Fundamentals
 - Advanced Taxation
 - Advanced Audit and Assurance
 - Financial Risk Management
 - Contemporary Business Issues
 - Superannuation and Retirement Planning.
- Ethics and Governance;

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

- Strategic Management Accounting;
- Financial Reporting; and
- Global Strategy and Leadership, which is the capstone subject to be completed as final subject of the CPA Program.

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 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 Australian CPAs must have completed a minimum of three years of relevant work experience prior to obtaining the Australian CPA credential and being admitted to membership in CPA Australia and an additional two years and eight months of relevant work experience after obtaining the Australian CPA 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 can be found in that jurisdiction's laws and rules.

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

Exclusions:

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

Appendix 1B

Eligibility for Holders of a US CPA Credential

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

1) Education Criteria:

To obtain the Australian CPA credential, CPA Australia mandates that applicants:

1. Hold at least a baccalaureate or higher degree; and
2. Have completed CPA Australia's CPA Program.

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.

Additional specific studies, set out in Appendix 3B, are required of all Australian CPAs who wish to obtain a Public Practice Certificate and/or provide Public Accounting Services in Australia or New Zealand.

2) Examination Criteria:

Advanced Taxation and / or Advanced Audit and Assurance are compulsory subjects of CPA Australia's CPA Program if recognized studies have not been completed in University in advanced taxation and / or advanced auditing.

To meet the examination criteria of the eligibility requirements of this agreement, Australian CPAs must have passed CPA Australia's CPA Program, which comprises the following subjects:

- Two elective subjects from the following list of subjects:
 - Financial Planning Fundamentals
 - Advanced Taxation
 - Advanced Audit and Assurance
 - Financial Risk Management
 - Contemporary Business Issues
 - Superannuation and Retirement Planning.
- Ethics and Governance;
- Strategic Management Accounting;
- Financial Reporting; and
- Global Strategy and Leadership which is the capstone subject to be completed as final subject of the CPA Program.

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

Additional examination requirements, set out in Appendix 3B, are required of all Australian CPAs who wish to obtain a Public Practice Certificate and/or provide Public Accounting Services in Australia or New Zealand.

3) Experience Criteria:

Australian CPAs must complete a minimum of three years of relevant work experience prior to obtaining the Australian CPA credential. Experience can be completed either before, after, or concurrently with the CPA Program subjects. A minimum of 10 skills across four categories must be demonstrated over the course of experience. This must include a minimum of:

- four technical skills;
- two personal effectiveness skills;
- two business skills; and
- two leadership skills.

Each role must include at least one technical skill from the skills set to be counted towards the required work experience.⁴

To meet the experience requirement of this agreement, US CPAs must have satisfied the experience requirement of their State Board.

Additional experience requirements, set out in Appendix 3B, are required of all Australian CPAs who wish to obtain a Public Practice Certificate and/or provide Public Accounting Services in Australia or New Zealand.

4) Continuing Professional Development Criteria:

Every Australian CPA must, in each triennium, undertake at least 120 hours of continuing professional development (CPD) of which at least 20 hours must be undertaken in each year of the triennium.⁵

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.

⁴ Further information on CPA Australia's experience requirements can be found on CPA Australia's website at: <https://www.cpaaustralia.com.au/cpa-program/cpa-program-candidates/your-experience/how-to-meet-your-experience-requirement>.

⁵ Further information on CPA Australia's CPD requirements can be found on CPA Australia's website at: <https://www.cpaaustralia.com.au/member-services/continuing-professional-development>

Appendix 2A

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

To obtain the US CPA credential, an eligible holder of an Australian 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 account⁶ with NASBA.
2. Complete an application form.⁷
3. Obtain a letter of good standing⁸ from CPA Australia. 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 Australia.
4. Pay the requisite fees.⁹

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 Board¹⁰ 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.

⁶ 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.

⁷ 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.

⁸ A template letter of good standing with completion instructions and a form which eligible holders may send to CPA Australia to request its completion may be found at www.nasba.org.

⁹ Fees charged for applying for the IQEX are changed periodically. A current list of fees may be found at www.nasba.org.

¹⁰ 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 Australian CPAs may be found within the IQEX Candidate Bulletin at www.nasba.org.

Appendix 2B

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

To obtain the Australian CPA credential, an eligible holder of a US CPA credential must:

1. Create an online user account with CPA Australia.
2. Complete an online application.
3. Obtain a letter of good standing¹¹ from their State Board, which will confirm that the eligible holder has met the eligibility requirements set out in Appendix 1B.
4. Upload identification documentation as directed in the online application.
5. Pay the requisite fees.¹²

Upon the conferral of the Australian CPA designation, US CPAs must comply with the Constitution and By-Laws¹³ of CPA Australia. Their requirements include periodic membership renewal and continuing professional development requirements.

¹¹ A template letter of good standing should include a statement of current good standing with the Board, of Uniform CPA examination completion and the years of verified experience.

¹² Fees charged for applying for membership of CPA Australia and for a Public Practice Certificate are changed periodically. A current list of fees, may be found at: www.cpaaustralia.com.au.

¹³ Available at: www.cpaaustralia.com.au.

Appendix 3A

Process to Obtain Licensure in the US for Eligible Holders of an Australian 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 Australian 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 Licensure for the Provision of Public Accounting Services in Australia or New Zealand for Eligible Holders of a US CPA Credential

License for Practice – Public Accounting Services

Any CPA Australia member providing Public Accounting Services in Australia or New Zealand must hold a Public Practice Certificate. The following are definitions of what Public Accounting Services and Public Practice Certificate mean:

“Public Accounting Services” include: accounting, auditing and assurance, bookkeeping, consumer and commercial credit services, financial planning and advice, financial reporting, forensic accounting, insolvency and corporate reconstruction, management accounting, management consulting, taxation, transactional accounting and valuation services.

“Public Practice Certificate” or “PPC” means a certificate issued pursuant to CPA Australia’s By-Law 9.4 permitting a CPA Australia member to provide Public Accounting Services.¹⁴

To be eligible to obtain a CPA Australia PPC, a US CPA must satisfy the requirements specified in Part 9 of CPA Australia’s By-Laws¹⁵ which are the following:

1. Be admitted as a CPA Australia member by satisfying the requirements in Appendices 1B and 2B.
2. Provide evidence of having passed: (a) an Australian tax course and company law course (for US CPAs wishing to practice in Australia); or (b) a New Zealand tax course and company law course (for US CPAs wishing to practice in New Zealand).
3. Pay the applicable registration and annual fees.

License to perform prescribed services:

In addition to the requirements imposed by CPA Australia, a CPA Australia member will be required to satisfy several licensing requirements, as listed below, when conducting Public Accounting Services or providing certain prescribed services (such as statutory audits) in either Australia or New Zealand.

Australian requirements:

Statutory Audits (Registered Company Auditor)

The Australian Securities and Investments Commission (ASIC) is Australia’s corporate, markets and financial services regulator. ASIC regulates the licensing of certain prescribed services, such as Registered Company Auditors (RCA) in Australia. ASIC Regulatory Guide RG 180 *Auditor Registration* (RG 180¹⁶) sets out the requirements for registering as a RCA.¹⁷ After obtaining the CPA Australia credential and the PPC in Australia, a US CPA must:

¹⁴ <https://www.cpaaustralia.com.au/~media/corporate/allfiles/document/about/by-laws-effective-8-october-2017.pdf?la=en>.

¹⁵ <https://www.cpaaustralia.com.au/about-us/our-organisation/our-bylaws>.

¹⁶ <http://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-180-auditor-registration/>.

¹⁷ ASIC may refuse to register a person as an RCA who is not resident in Australia, however they have some discretion in this regard.

1. Apply using Form 903AA for registration as an auditor and pay the appropriate fee to ASIC.
2. Meet the approved competency standard OR have practical experience as prescribed by the Corporations Regulations OR have equivalent practical, overseas, and supervisory experience.¹⁸
 - Generally, a US CPA must demonstrate the obtainment and detail of at least 3,000 hours (i.e., 2 years and 8 months) of work experience auditing reporting entities, during the 5 years immediately before the date of their application, either in the US or Australia. At least 12 months of the 3,000 hours must be practical experience obtained in Australia supervised by another RCA.
3. Show the capability to perform the duties of an auditor AND be a fit and proper person.¹⁹
 - A US CPA must file a *Capability Report* including details of the three most significant audits they have worked on showing they have had experience in handling complex audits and a *Capability Declaration* from their supervisor(s) verifying their capability of performing the duties of an auditor. In addition, the report must include details of their CPE in the last 5 years.
 - A US CPA must file a *Fit and Proper Statement*, containing details of any previous disqualifications, disciplinary action taken, litigation matter, criminal conviction, or resignation or removal as an auditor, etc.

Other Audit Licenses

Additional requirements apply for Assurance Practitioners Undertaking Review Engagements and SMSF (pension fund) auditors. For further information, refer to ASIC Regulatory Guide 243 “*Registration of Self-Managed Superannuation Fund Auditors.*”²⁰ The ASIC website²¹ provides access to Auditor Licensing Pathways, Regulatory Guides (RGs) and guidance and application processes for finance professionals.

Further Guidance

CPA Australia’s website includes a [Guide to Licences and Registrations for Australian Public Practitioners.](#)²²

New Zealand requirements:

In New Zealand, the Financial Markets Authority (FMA) is the government agency responsible for enforcing securities, financial reporting, and company law as they apply to financial services and securities markets. FMA regulates the licensing of auditors under the Auditor Regulation Act 2011 (ARA) and through accredited bodies. CPA Australia has been recognized by the FMA to be an accredited body and authorized to license individuals to conduct Financial Markets Conduct Act 2013 (FMC) audits.²³

¹⁸ RG 180.36 – RG 180.96 and RG 180.118 – RG 180.130.

¹⁹ RG 180.97-RG 180.115.

²⁰ <http://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-243-registration-of-self-managed-superannuation-fund-auditors/>.

²¹ <http://asic.gov.au/for-finance-professionals>.

²² www.cpaustralia.com.au/practicemanagement

²³ For more information about becoming a Licensed Auditor please see:

<https://www.cpaustralia.com.au/professional-resources/audit-and-assurance/new-zealand/licensed-auditors>.

A PPC holder must be a Licensed Auditor or Qualified Auditor to conduct regulated audits in New Zealand. The Licensed Auditor regime includes audits regulated under the Financial Markets Authority (FMA) including audits of listed companies, banks, and issuers of financial products/derivatives. The Qualified Auditor regime includes regulated audits such as non-FMC companies and larger charities.

CPA Australia members resident in New Zealand may apply directly to CPA Australia to be a Licensed Auditor or be approved as a Qualified Auditor in New Zealand, however overseas auditors must apply directly to the FMA.

Licensed auditors (auditing of issuers of regulated products and other FMC reporting entities)

If a PPC holder is responsible for conducting Financial Markets Conduct Act 2013 (FMC) audits in New Zealand, the PPC holder must hold a license under the Auditor Regulation Act 2011 (New Zealand) (ARA). CPA Australia is an accredited body authorised to license individuals under the ARA to conduct FMC audits.

After obtaining the CPA Australia credential and the PPC in New Zealand, a US CPA must:

1. Complete the application form and pay the appropriate fee to CPA Australia.
2. Provide details of at least 3,000 hours (i.e., 2 years and 8 months) of audit work within the five years prior to making an application to demonstrate competency levels have been maintained, including at least 750 hours of work on issuer audits and/or similar audit engagements and a minimum of 375 hours (included in the 750 hours) of work on issuer audits. The audit work may be obtained in either the US or New Zealand.
3. Attain an *Advanced Certificate of Competence* certifying that the applicant has demonstrated competence in all key aspects of the audit, including a declaration by an approved assessor.
4. Disclose any matter that may impact on whether they are a fit and proper person and obtain a current criminal conviction record from the Ministry of Justice.

Qualified auditors (statutory audits)

CPA Australia may recognise members who meet CPA Australia's eligibility criteria as Qualified Auditors²⁴ who can conduct certain statutory assurance engagements, including companies (other than FMC reporting entities), large and medium charities, and other statutory bodies. More information about becoming a Qualified Auditor may be found on the CPA Australia website.²⁵

Further Guidance

CPA Australia's website²⁶ includes an [Auditor Licensing Guide](#) and a [Guide to Recognition as a Qualified Auditor](#).

²⁴ For more information about becoming a qualified auditor please see:

<https://www.cpaaustralia.com.au/professional-resources/audit-and-assurance/new-zealand/qualified-auditors>.

²⁵ <https://www.cpaaustralia.com.au/professional-resources/audit-and-assurance/new-zealand/qualified-auditors>.

²⁶ www.cpaaustralia.com.au/practicemanagement.