

**New Mutual Recognition Agreement (MRA)
between the Hong Kong Institute of Certified Public Accountants
(HKICPA) and CPA (Australia) (CPAA)
FAQs**

Hong Kong Institute of CPAs' members applying for CPAA membership

Q1. What are the conditions for the Institute's members to become CPA Australia members under the new MRA?

A1. HKICPA members who wish to apply for membership of CPA Australia need to meet the following conditions:-

- were registered as the Institute's CPA Qualification Programme (QP) students on or after 1 July 2005¹;
- hold an accredited or recognized university degree;
- pass the Institute's CPA Qualification Programme in full;
- meet the Institute's practical experience requirements as recognised by CPA Australia, i.e. experience under the Institute's Authorised Employer or Authorised Supervisor (AE/AS) Practical Experience Framework (PEF);
- hold the CPA or FCPA status of the Institute and are a member in good standing; and
- when an applicant has taken up permanent residency in Australia (as opposed to working or residing temporarily in Australia) pass university examinations offered on behalf of CPA Australia or the Hong Kong Institute of CPAs in the appropriate subject or subjects of Australian Company, Taxation or Other Laws as prescribed by the By-Laws from time to time of CPA Australia.

Q2. I am a registered CPA QP candidate of the February 2005 session. Is the new MRA applicable to me?

A2. No. If you were registered as a QP candidate on or before 1 July 2005 and wish to apply for CPAA membership by virtue of your HKICPA membership, the new MRA is not applicable to you. The transitional arrangements of the old MRA which terminates on 30 June 2005 is applicable, that is, you are exempted from the CPA Australia's CPA Programme. You would have to satisfy CPA Australia on their practical experience requirement.

¹ If you were a QP student registered before 1 July 2005, you would fall under the old MRA. See Q2.

Q3. I am a QP student. Do I need to register as a CPA Australia Associate member in order to enjoy the new MRA?

A3. No, you are not required to register as a CPA Australia Associate member. As long as you have completed our CPA Qualification Programme and gained experience under an AE/AS PEF² to become the Institute's member, you are eligible to apply for CPAA membership.

Q4. I have been admitted to CPA QP by virtue of the Agreement on the Mutual Examination Paper Exemptions for Mainland and Hong Kong Accountants under CEPA II and have been granted exemptions on two Modules. Can I apply for member of CPA Australia under the new MRA?

A4. No, the new MRA is not applicable to you. It is applicable to those members of the Hong Kong Institute of CPAs who have completed the full CPA QP.

Q5. I was admitted to HKICPA upon completion of the HKSA/ACCA Joint Examination Scheme and have not enrolled in the CPA QP. Can I apply for CPAA membership under the new MRA?

A5. No, you are not eligible for CPAA membership under the new or old MRA. You must have passed the CPA QP in full in order to be eligible.

² If you did not gain experience under the AE/AS PEF, your experience will be vetted by CPA Australia when you apply for their membership according to their prevailing requirements.

CPAA members applying for the Hong Kong Institute of CPAs' membership

Q1. What are the conditions for CPA Australia members to become the Institute's member under the new MRA?

A1. CPA Australia members who wish to apply for membership of the Hong Kong Institute of CPAs need to meet the following conditions:-

- were admitted as an Associate member of CPA Australia on or after 16 August 2004¹;
- hold an accredited or recognised degree from an Australian university;
- pass the CPA Australia Programme, including three compulsory segments and three specific segments required by the Hong Kong Institute of CPAs (i.e. Financial Reporting and Disclosure, Financial Risk Management, Assurance Services and Auditing) and complete workshops in one of the QP modules or in any one segment of the CPAA Programme;
- meet the practical experience requirements under the Authorised Employer or Authorised Supervisor Practical Experience Framework of the Hong Kong Institute of CPAs;
- pass the Institute's Aptitude Test; and
- hold the CPA (Australia) or FCPA (Australia) status of CPA Australia and is a member in good standing.

Q2. I am now a full member of CPAA. Is the new MRA applicable to me?

A2. If you were registered as an associate member of CPAA before 16 August 2004, you will be eligible for HKICPA membership under the transitional arrangements of the old MRA which terminates on 30 June 2005. The new MRA is not applicable to you.

If you are registered as an associate member of CPAA on and after 16 August 2004, the new MRA applies to you.

Please refer to our webpage on recognition status of CPAA at

http://www.hkicpa.org.hk/recognition_overseas/CPA_Australia.pdf for details.

Q3. I am a CPA Australia associate member. Do I need to register as a registered student of the Hong Kong Institute of CPAs in order to enjoy the new MRA?

A3. No, you are not required to register as a registered student of the Institute. As long as you meet the requirements for membership with the Hong Kong Institute of CPAs as above-mentioned, you may apply.

¹ If you were registered as a CPAA Associate member before 16 August 2004, you would fall under the old MRA. See Q2.

Q4. I took an Australian university degree programme in Hong Kong. Am I eligible for HKICPA membership under the new MRA?

A4. Australian degree programmes in Hong Kong accredited by CPA Australia are recognised by the Institute but they have to be accredited by the Institute for membership admission. Your qualification will have to be assessed by HKICPA on a case by case basis when you apply for membership. You will be required to pay an assessment fee of HK\$1,200 for the purpose. Please note that if your Australian degree has been accredited by the Institute, the assessment fee is waived.

A list of the degree programmes offered by Australian universities in Hong Kong which have been accredited by HKICPA for membership admission is accessible from the HKICPA website at

[http://www.hkicpa.org.hk/students\(NEW\)/siteA/qp3-1.php](http://www.hkicpa.org.hk/students(NEW)/siteA/qp3-1.php)

Q5. How do I know if my degree is accredited/recognised or not?

A5. If your degree is an Australian university degree accredited by CPA Australia or the Institute of Chartered Accountants in Australia (ICAA) and was obtained through a course of study wholly undertaken in Australia, it will be recognised by HKICPA for membership admission without further assessment (that is, you don't have to pay the HK\$1,200 assessment fee).

If your degree is a recognised Australian university degree but was obtained through a course of study **in Hong Kong or elsewhere outside Australia**, your qualification will need to be assessed by HKICPA when you apply for membership and you will be required to pay an assessment fee for the purpose. The fee is currently HK\$1,200. However, if the Australian degree you have taken in Hong Kong is already accredited by the HKICPA (see full list at [http://www.hkicpa.org.hk/students\(NEW\)/siteA/qp3-1.php](http://www.hkicpa.org.hk/students(NEW)/siteA/qp3-1.php)), you are exempted from the assessment (that is, you don't have to pay the HK\$1,200 assessment fee).

Q6. What is a recognised Australian university degree? Are there any prescribed subjects/disciplines for the degree?

A6. A recognised Australian university degree means a degree recognised by the Australian Government and by CPAA or ICAA for membership admission. Yes, there are prescribed subjects/disciplines for the degree. Please refer to the CPAA or ICAA list of 'Accredited Tertiary Courses'.

Q7. If the Institute has accredited my Australian degree in which the course of study is in Hong Kong or elsewhere outside Australia, do I need to pay the \$1,200 assessment fee when applying for the Institute's membership?

A7. No, you are not required to pay the assessment fee.

Q8. When and how should I apply for assessment of my Australian degree qualification which was not obtained through studying in Australia? What documents do I need to submit?

A8. You should apply for assessment of your degree when you submit your HKICPA membership application. You should submit certified true copies of your degree certificate and transcript for the Institute's assessment. Please note that the degree must be the one which was accepted by CPAA for your membership admission.

Q9. I have completed three elective segments of the CPA Australia CPA Program already, but they do not include any one of the electives required by the new MRA. Do I qualify for HKICPA membership? If not, what should I do?

A9. No, you must complete the three specific elective segments, namely Financial Reporting and Disclosure ("FRD"), Financial Risk Management ("FRM"), and Assurance Services and Auditing ("ASA"), in order to qualify for HKICPA membership. You should either:-

- (a) go to sit and pass the required elective(s) of the CPA Australia CPA Program; or
- (b) sit and pass the Final Examination ("FE") of the CPA Qualification Programme ("QP") of HKICPA; or
- (c) complete and pass the corresponding QP module(s), if you have only one or two electives to make up, as follows:-
 - FRD – Module A, Financial Reporting
 - FRM – Module B, Financial Management
 - ASA – Module C, Auditing and Information Management

Please note that taking option (b) will exempt you from the Institute's Aptitude Test but taking option (c) will not.

Q10. I have completed the CPA Australia CPA Program but I have not attended any workshops. Do I qualify for HKICPA membership? If not, what should I do?

A10. No. You must either complete the workshops in any one segment of the CPA Australia CPA Program or complete and pass workshops in any module of the HKICPA QP.

Q11. I have attended some of the workshops in a segment of the CPA Australia CPA Program. Have I fulfilled the workshop requirement?

A11. No, you must complete the full duration of the workshops in any one segment of the CPAA CPA Program. A certificate or letter will be issued by CPAA to confirm your satisfaction of this requirement.

Q12. Do I need to register as a student of HKICPA if I enroll to the FE or workshops of a QP module?

A12. No.

Q13. I understand that it is not necessary to register as a CPA QP student when enrolling to the CPA QP Module(s)/Workshops/FE in order to meet the HKICPA membership admission requirements. Do I need to comply with the regulations for regular CPA QP students?

A13. Yes, you need to comply with the regulations, such as number of attempts allowed, pass requirements, rules of enrolling in workshops and examination etc. You can find the relevant information by downloading the CPA QP Candidate Handbook at the Institute website:

<http://www.hkicpa.org.hk/students/download/qp/handbook.pdf>.

Q14. Do I need to take the HKICPA Aptitude Test? Are there any other options to satisfy the Aptitude Test requirement?

A14. Yes. You may satisfy the Aptitude Test requirement by passing the Institute's multiple-choice questions Aptitude Test in Hong Kong Law and Hong Kong Taxation or PC-Law and/or PC-Tax Planning examinations, the FPE of the HKICPA QP or the CPA Australia course in Hong Kong Law and Tax to be accredited by HKICPA.

Q15. I have studied and passed the relevant subjects of the HKICPA accredited accountancy programmes offered by tertiary institutions in Hong Kong before 30 June 2005. Are these results recognised as satisfying the Aptitude Test requirement under the new MRA?

A15. Yes.

Q16. I have sat and passed the relevant papers of the HKAAT Examinations before 30 June 2005. Are these results recognised as satisfying the Aptitude Test requirement under the new MRA?

A16. Yes.

Q17. Regarding the three years of practical experience in accountancy for HKICPA membership admission, does the whole length of experience need to be acquired under Authorised Employer(s) (“AE”) or Authorised Supervisor(s) (“AS”) registered with HKICPA? Will my experience which was acquired prior to my registration as associate member of CPAA and not under an AE/AS be counted?

A17. Your practical experience acquired on and after 1 July 2005 has to be obtained under AE/AS. You may use your relevant experience in accountancy acquired before 1 July 2005 to satisfy the practical experience requirement based on individual merits, and such experience does not need to be gained under AE/AS. However, it will be considered on a case-by-case basis.

Relevant experience in accountancy acquired prior to the registration as associate member of CPAA may be counted and the above rule on requiring experience after 1 July 2005 to be supervised by an AE/AS will apply.

Q18. I am working in Australia under the CPA Australia Mentor Program and my employer is not an AE/AS. Will my experience qualify for HKICPA membership admission?

A18. Under the new MRA, experience acquired outside Hong Kong must be accepted by HKICPA as being equivalent to the HKICPA Practical Experience Framework. This will have to be assessed on a case-by-case basis as was the case under the old MRA. CPAA has undertaken to implement measures to the satisfaction of HKICPA by 1 January 2006 or a later date such that the CPA Australia Mentor Program will meet the practical experience requirement of HKICPA. Please watch out for announcement on the development in this regard.

Q19. I have quitted my job after working for 11 months in a company which is an AE. Will this experience be counted?

A19. No, only continuous full-time employment of not less than 12 months with the same employer will be accepted by the Institute for membership admission.

Q20. If I registered as an Associate member of the CPA Australia before 16 August 2004 but failed to pass the CPA Australia CPA Programme by 30 June 2007, what should I do?

A20. The new MRA will apply to you, however, you should be aware that you must fulfill all requirements under the new MRA which have not been imposed under the transitional arrangements of the old MRA, e.g. Aptitude Test, Australian degree requirements, assessment fee for the degree course, required elective segments, completion of workshop and practical experience requirements etc.

Q21. I understand that the MRAs (both old and new) are applicable for membership purpose only and no right to practise public accountancy or conduct statutory audits are applicable. What is the Institute's Practising Certificate issuance requirements?

A21. In general, there are additional requirements to satisfy with regard to residency, audit experience, passing Practising Certificate examinations and other conditions. Please click the link below for detailed requirements to be a Practising Certificate holder, who will be authorised to sign statutory audit reports:

<http://www.hkicpa.org.hk/membership/registrationmatters/pc/issuance.php>