

**2010 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 2010 MRA?

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

- are registered as the Institute's Qualification Programme (QP) students on or after 1 September 2010 in Hong Kong¹;
- hold an accredited or recognized university degree;
- pass the Institute's Qualification Programme in full in Hong Kong;
- meet the Institute's practical experience requirements as recognised by CPA Australia, i.e. experience under the Institute's Authorized Employer or Authorized 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. What is the difference between the 2010, 2005 and 2000 MRA?

A2. With effect from 1 July 2010, the 2010 MRA is in force. The 2005 MRA and 2000 MRA ended on 30 June 2010 and 30 June 2005 respectively. Transitional arrangements for both the 2005 and 2000 MRAs are in place.

The conditions for HKICPA members to obtain CPAA membership are the same under the 2010 MRA and the transitional arrangements of the 2005 MRA

¹ If you are a QP student registered anywhere before 1 September 2010, you would fall under the transitional arrangements of the 2005 or 2000 MRA. See Q2. If you are a QP student registered outside Hong Kong on or after 1 September 2010, you will not be eligible for CPA Australia's membership under any MRA.

and 2000 MRA except that:-

- under the 2010 MRA, HKICPA members have to be registered as QP students and complete the QP in Hong Kong only;
- under the transitional arrangements of the 2005 and 2000 MRA, HKICPA members can be registered as QP students and complete the QP anywhere.

Q3. I am a registered QP candidate of the February 2010 session. Is the 2010 MRA applicable to me?

A3. No. If you were registered as a QP candidate on or before 31 August 2010 and wish to apply for CPAA membership by virtue of your HKICPA membership, the 2010 MRA is not applicable to you. The transitional arrangement of the 2005 MRA which terminated on 30 June 2005 is applicable, that is, you are exempted from the CPA Australia's CPA Program. You would have to satisfy CPA Australia on their practical experience requirement.

Q4. I am a QP student. Do I need to register as a CPA Australia Associate member in order to enjoy the 2010 MRA?

A4. No, you are not required to register as a CPA Australia Associate member. As long as you have completed our Qualification Programme and gained experience under an AE/AS PEF² to become the Institute's member, you are eligible to apply for CPAA membership.

Q5. I have been admitted to the QP by virtue of the Agreement on the Mutual Examination Paper Exemptions for Mainland and Hong Kong Accountants under CEPA and have been granted exemptions on three Modules. Can I apply for member of CPA Australia under the 2010 MRA?

A5. No, the 2010 MRA is not applicable to you. It is applicable to those members of the Hong Kong Institute of CPAs who have completed the full QP.

Q6. I was admitted to HKICPA upon completion of the HKSA/ACCA Joint Examination Scheme and have not enrolled in the QP. Can I apply for CPAA membership under the 2010 MRA?

A6. No, you are not eligible for CPAA membership under the 2010 MRA or transitional arrangements of the 2005 or 2000 MRA. You must have passed the QP in full in order to be eligible.

Q7. I will register as a QP student in China in August 2010. Is the 2010 MRA

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.

applicable to me?

A7. The transitional arrangement of the 2005 MRA is applicable to you. You are exempted from the CPA Australia's CPA Program. You would have to satisfy CPA Australia on their practical experience requirement.

Q8. I will register as a QP student in China in September 2010. Is the 2010 MRA applicable to me?

A8. No, you will not be eligible for membership of CPA Australia under any MRA or its transitional arrangement.

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 2010 MRA?

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

- are registered as an Associate member of CPA Australia in Australia or Hong Kong¹ on or after 1 September 2010 or are registered before 1 September 2010 but fail to pass the CPA Australia CPA Program by 30 June 2012;
- hold an accredited or recognised degree from an Australian university;
- pass the CPA Australia CPA Program in Australia or Hong Kong, including all compulsory segments and mandatory segments required by the Hong Kong Institute of CPAs (i.e. (i) Financial Reporting and Disclosure/ Financial Reporting, (ii) Financial Risk Management, and (iii) Assurance Services and Auditing/ Advanced Audit and Assurance) and complete workshops of Module A (Financial Reporting) of the Institute's QP;
- meet the practical experience requirements under the Authorized Employer or Authorized 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. What is the difference between the 2010, 2005 and 2000 MRA?

A2. With effect from 1 July 2010, the 2010 MRA is in force. The 2005 MRA and 2000 MRA ended on 30 June 2010 and 30 June 2005 respectively. Transitional arrangements for both the 2005 and 2000 MRAs are in place.

The conditions for CPAA members to obtain HKICPA membership under the 2010 MRA and the transitional arrangements of the 2005 MRA and 2000 MRA are set out in our webpage on recognition status of CPAA at http://www.hkicpa.org.hk/file/media/section2_become_a_hk_cpa/recog-overse-a-bodies/recognition/cpa-australia.pdf.

¹ If you were registered as a CPAA Associate member anywhere between 16 August 2004 and 31 August 2010, you would fall under the transitional arrangement of the 2005 MRA. If you were registered as a CPAA Associate member anywhere before 16 August 2004, you would fall under the transitional arrangement of the 2000 MRA. See Q2. If you are registered as a CPAA Associate member outside Australia or Hong Kong after 31 August 2010, you will not be eligible for HKICPA membership under any MRA.

The differences in the conditions are mainly:

	2010 MRA	Transitional arrangement of the 2005 MRA	Transitional arrangement of the 2000 MRA
Registration date as CPAA Associate member	On or after 1 September 2010	Between 16 August 2004 to 31 August 2010	Before 16 August 2004
Place of registration and completion of the CPA Program	Australia or Hong Kong	Anywhere	Anywhere
Conditions	See Q1	Same as Q1 except: <ul style="list-style-type: none"> complete workshops in one of the QP modules or in any one segment of the CPA Program. 	Pass the CPA Program and meet the Institute's practical experience requirement. No aptitude test or workshop requirement.
Deadline to pass the CPA Program	Two years from 30 June 2015 or the termination date of the MRA, whichever is earlier.	30 June 2012 (The 2010 MRA applies to those who fail to pass the CPA Program by the deadline.)	30 June 2007 (Transitional arrangement of the 2005 MRA applies to those who failed to pass the CPA Program by the deadline.)

Q3. I am now a full member of CPAA. Is the 2010 MRA applicable to me?

A3. If you are registered as an associate member of CPAA between 16 August 2004 and 31 August 2010 or were registered before 16 August 2004 but failed to pass the CPA Australia CPA Program by 30 June 2007, you will be eligible for HKICPA membership under the transitional arrangement of the 2005 MRA which terminated on 30 June 2010. The 2010 MRA is not applicable to you.

If you were registered as an associate member of CPAA before 16 August 2004 and passed the CPA Australia CPA Program by 30 June 2007, you will be eligible for HKICPA membership under the transitional arrangement of the 2000 MRA which terminated on 30 June 2005. The 2010 MRA is not applicable to you.

If you are registered as an associate member of CPAA in Australia or Hong Kong on and after 1 September 2010, the 2010 MRA applies to you.

Please refer to our webpage on recognition status of CPAA at

http://www.hkicpa.org.hk/file/media/section2_become_a_hk_cpa/recog-overse-a-bodies/recognition/cpa-australia.pdf for details.

Q4. 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 2010 MRA?

A4. Yes. You are required to register as a student of the Hong Kong Institute of

CPAs in order to take the requisite QP workshops of Module A (Financial Reporting). You should apply for assessment of your degree when you submit your Hong Kong Institute of CPAs' student registration application. In this connection, you will be required to submit certified true copies of your degree certificate, transcript, the CPAA professional examination result report and the other relevant fees for the Institute's assessment.

You need to comply with the regulations for QP students, such as pass requirements and rules of enrolling in workshop etc. You can find the relevant information by downloading the QP Candidate Handbook at the Institute website:

http://www.hkicpa.org.hk/file/media/section2_become_a_hk_cpa/QP/pdf-file/student-dl-form/2010/candidate-handbook.pdf

Q5. I took an Australian university degree programme in Hong Kong. Am I eligible for HKICPA membership under the 2010 MRA?

A5. 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/en/become-a-hkicpa/how-to-apply/entry-routes/>

Q6. How do I know if my degree is accredited/recognised or not?

A6. 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/en/become-a-hkicpa/how-to-apply/entry-routes/>), you are exempted from the assessment (that is, you don't have to pay the HK\$1,200 assessment fee).

Q7. What is a recognised Australian university degree? Are there any prescribed subjects/disciplines for the degree?

A7. 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'.

Q8. 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?

A8. No, you are not required to pay the assessment fee.

Q9. 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?

A9. 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.

Q10. I have completed three elective segments of the CPA Australia CPA Program already, but they do not include any one of the three core/ elective segments required by the 2010 MRA. Do I qualify for HKICPA membership? If not, what should I do?

A10. No, you must complete the three specific core/ elective segments, namely (i) Financial Reporting and Disclosure/ Financial Reporting ("FRD"), (ii) Financial Risk Management ("FRM"), and (iii) Assurance Services and Auditing/ Advanced Audit and Assurance ("ASA"), in order to qualify for HKICPA membership. You should either:-

- (a) go to sit and pass the required core/ elective segment(s) of the CPA Australia CPA Program; or
- (b) sit and pass the Final Examination ("FE") of the Qualification Programme ("QP") of HKICPA; or

- (c) complete and pass the corresponding QP module(s), if you have only one or two core/ elective segments to make up, as follows:-
FRD – Module A, Financial Reporting
FRM – Module B, Financial Management/ Corporate Financing
ASA – Module C, Auditing and Information Management/ Business Assurance

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

Q11. I have completed the CPA Australia CPA Program but I have not attended any workshops. Do I qualify for HKICPA membership under the 2010 MRA? If not, what should I do?

A11. No. You must complete and pass workshops of Module A (Financial Reporting) of the HKICPA QP.

Q12. I have attended the workshops in a segment of the CPA Australia CPA Program. Have I fulfilled the workshop requirement under the 2010 MRA?

A12. No, you must complete and pass workshops of Module A (Financial Reporting) of the HKICPA QP.

Q13. Do I need to register as a student of HKICPA if I enroll to the FE?

A13. Yes. You are required to register as a student of the Hong Kong Institute of CPAs in order to take the FE. You must complete and pass the workshops of Module A (Financial Reporting) first before you are eligible to sit the FE.

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 FE of the HKICPA QP or the CPA Australia course in Hong Kong Law and Tax 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 2010 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 2010 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 Authorized Employer(s) (“AE”) or Authorized 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 2005 or 2000 MRA.

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

A19. Within the required length of full-time practical experience for membership, an applicant can have up to two employments, each of which is less than 12 months long with the same employer. The rest of the experience must be acquired from employment(s) that lasts for at least 12 months with the same employer. Depending on the academic qualifications of the applicant, the respective requirements are

	Minimum length of full-time practical experience for membership	Maximum number of employments	Maximum number of employments which are less than 12 months each
Approved degree Holders	3 years	4	2
Approved accountancy diploma holders	4 years	5	2
Holders of other academic qualifications	5 years	6	2

Q20. If I register as an Associate member of CPA Australia before 1 September 2010 but fail to pass the CPA Australia CPA Program by 30 June 2012, what should I do?

A20. The 2010 MRA will apply to you, however, you should be aware that you must fulfill all requirements under the 2010 MRA including those which have not been imposed under the transitional arrangement of the 2005 MRA, e.g. registration as an Associate member of CPA Australia in Australia or Hong Kong only, completion of the CPA Program in Australia or Hong Kong only and completion of the workshops of Module A (Financial Reporting) of the HKICPA QP.

Q21. If I registered as an Associate member of CPA Australia before 16 August 2004 but failed to pass the CPA Australia CPA Program by 30 June 2007, what should I do?

A21. The transitional arrangement of the 2005 MRA will apply to you, however, you should be aware that you must fulfill all requirements under the 2005 MRA which have not been imposed under the transitional arrangement of the 2000 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.

Q22. I will register as an Associate member of CPA Australia in China in August 2010. Is the 2010 MRA applicable to me?

A22. The transitional arrangement of the 2005 MRA is applicable to you. You will need to fulfill all requirements under the 2005 MRA in order to be eligible for HKICPA membership.

Q23. I will register as an Associate member of CPA Australia in China in September 2010. Is the 2010 MRA applicable to me?

A23. No, you will not be eligible for HKICPA membership under any MRA or its transitional arrangement.

Q24. I understand that the MRAs (2010, 2005 and 2000) 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?

A24. 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/en/registration-and-licensing/obtain-practising-certificate/issuance-requirements/>.

29 June 2010