



TITLE: MRA WITH SOUTH AFRICA INSTITUTE OF CHARTERED ACCOUNTANTS.

INTRODUCTION AND BACKGROUND

In pursuit of our mandate to promote the international recognition of the Institute and its members, the Institute has been active in creating linkages with Institutes in the region, at the continental level and globally.

In the last eight (8) years, our strategy saw the Institute pursue collaboration with many Institutes for the short-term benefit of the broadening the service-base to members operating in jurisdictions outside Kenya, but with a long-term view to establishing a framework for global recognition of the Kenyan profession and professionals.

We have realized key milestones in negotiating and consummating: The East Africa Community Institutes' of Accountants' MRA in September 2009, a Memorandum of Understanding with the Institute of Chartered Accountants of England and Wales in September 2011; a Memorandum of Understanding with the South African Institute of Chartered Accountants in June 2014 and a Memorandum of Understanding with ACCA in August 2015. Both agreements with SAICA and ACCA are focused on access to member services.

The Institute has been in discussion with these Institutes in pursuit of full recognition under a Mutual Recognition Agreement framework. The Institutes that have been engaged comprise of ICAEW, ACCA and SAICA. SAICA has reported significant progress have agreed to a Mutual Recognition Agreement which is the subject matter of this brief.

PROVISIONS OF THE Draft SAICA-ICPAK MRA

The scope of the MRA is guided by the objectives to lessen bottlenecks to full recognition. It strives to address the varied qualification frameworks and registration requirements. Though not a full MRA, it however creates an avenue and mechanisms for recognition of each parties' qualifications. The key provisions of the draft MRA are as follows:

Membership Criteria

The policy provides that only members of the two Institutes who acquired membership based on the home qualification will be eligible beneficiaries of the MRA. In this regard,

- A. SAICA has agreed that ICPAK Members in good standing with ICPAK who meet the following requirements will be eligible for SAICA membership:
 1. a graduate, i.e. a holder of a university degree assessed by the South African Qualifications Authority's Foreign Qualifications Evaluation and Advisory

Services or its successor in-title as equivalent to a three-year South African Bachelor's degree;

2. has gained at least 2 (two) years' appropriate experience after first registering with ICPAK, and
 3. has successfully completed the SAICA APC examination.
 4. Where an individual applicant who is a member in good standing of ICPAK and meets, the requirements stipulated in paragraphs 6.1.1 and 6.1.2, can show that he or she meets the competency requirements of the SAICA Competency Framework, membership of SAICA may be granted without completing the SAICA APC examination. In these circumstances an evaluation panel will be convened by the relevant SAICA Committee to assess the competence of the individual. The panel will require evidence of competence to be submitted which may take the form of:
 - a. academic transcripts;
 - b. details of work experience;
 - c. portfolio of work;
 - d. evidence from employers and associates; and
 - e. self-evaluation of competence by the applicant.
- B. ICPAK on the other hand has provided that qualified Members in good standing with SAICA and who meet the following requirements will be eligible for ICPAK membership:
1. A graduate, i.e. a holder of a university degree,
 2. has gained at least 2 (two) years' appropriate experience after first registering with SAICA, and
 3. has passed the Kenya Accountants and Secretaries National Examinations Board's (KASNEB) examinations in Public Finance and Taxation and Company Law or the equivalent examinations as defined by KASNEB from time to time, will be eligible for ICPAK membership.

It is worth noting that by this provision, this agreement provides a pathway for members of the Institute holding Bachelors' degrees and with verifiable work experience a direct route to SAICA membership. This has the potential of benefitting close to the fifty (50) per cent of the members of the Institute, which is a key milestone for the Kenya profession.

RESOURCING

The MRA provides that each party (SAICA on one side and the ICPAK on the other) will bear their own costs attendant to implementation of the MRA.

TIMELINES

The MRA shall come into force on signing of the MRA and shall run for a period of five (5) years. There are provisions for review and termination which shall be undertaken upon the initiating party providing a three (3) month notice.

The MRA has been negotiated through a Joint Technical Committee of SAICA and ICPAK. The agreement with SAICA and ICPAK is that we take advantage of the ACOA meeting in Kampala Uganda to sign the agreement. As per the agreed timelines, the final document of the MRA will be ready by close of business today, 26th April 2017.