

# Frequently Asked Questions (FAQs)

## **Agreement for Recognition Arrangements between the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants (ACCA)**

As Hong Kong's only statutory accounting body, one of the Institute's main duties is to advance the accounting profession in Hong Kong. To that end, the Institute ended all of its mutual recognition agreements in June 2005 and began a process of reviewing all overseas qualifications to measure them against the Institute's qualification programme. One of the MRAs that has been reviewed is the ACCA's.

The list of questions and answers is intended to help prospective membership applicants learn how the agreement affects them.

It contains three parts:

- Section 1: General
- Section 2: Hong Kong Institute of CPAs' members applying for ACCA membership
- Section 3: ACCA members applying for the Hong Kong Institute of CPAs' membership

### **Section 1: General**

#### **Q1. What is ARA? How is it different from the MRA signed with ACCA before?**

A1. Under the mutual recognition agreement (MRA) signed with ACCA in May 2000 and terminated on 30 June 2005, the Institute and ACCA recognised each other's professional examinations in full. In other words, ACCA members who completed the ACCA professional examination were exempted from the Institute's examination requirement (i.e. not required to complete the Institute's CPA qualification programme (QP) and aptitude tests) when they applied for the Institute's membership, and vice versa.

The agreement for recognition arrangements (ARA) took effect from 1 July 2005 and is valid until 30 June 2010, renewed from 1 July 2010 to 30 June 2015. Under the ARA, ACCA recognises the Institute's QP in full and hence,

QP qualified Hong Kong Institute of CPAs members are eligible for ACCA membership without any additional conditions. On the other hand, the Institute does not fully recognise the ACCA professional examination and hence, ACCA members are only eligible for partial exemption from the Institute's examination requirement and must fulfill specified conditions in order to qualify for membership in the Hong Kong Institute of CPAs under the ARA.

**Q2. What other types of recognition agreements does the Institute have?  
Why are there so many different types of recognition agreements?**

A2. The Institute has entered into a number of types of agreements in order to benchmark overseas qualifications with the Institute's QP. As overseas bodies' vary greatly in the way they qualify accountants, a variety of agreements are necessary. We have five basic types of recognition agreements:

Membership and cooperation agreement (MCA) – The Institute has signed an MCA with ICAEW. Under the MCA, the Institute recognises both the professional examinations and practical experience training of ICAEW members. ICAEW members are exempted from taking the Institute's QP and aptitude tests for membership admission.

Reciprocal membership agreement (RMA) – The Institute has signed RMAs with seven chartered accountancy bodies. Under the RMA, the Institute recognises both the professional examinations and practical experience training of the other body such that members of the other body are exempted from taking the Institute's QP and, if applicable, only need to sit and pass the Institute's aptitude tests for membership admission.

Mutual recognition agreement (MRA) – The Institute has signed an MRA with CPA Australia. Under the MRA, the Institute recognises the professional examinations of the other body. Members of the other body are exempted from the Institute's QP, but need to sit and pass the Institute's aptitude tests and satisfy the Institute's practical experience requirements for membership admission. (Note: The agreement with the Canadian Institute of Chartered Accountants, though named as an MRA, is in substance similar to an RMA.)

Mutual examination paper exemptions (MEPE) – Under the MEPE for Mainland and Hong Kong Accountants, members of the Chinese Institute of Certified Public Accountants who have sat and passed the PRC CPA Uniform

Examination are eligible for exemptions from three modules of the Institute's QP. They need to complete one QP module and the final examination and satisfy the Institute's practical experience requirements in order to become the Institute's members.

Agreement for recognition arrangements (ARA). Under the ARA, ACCA members are required to fulfill eight criteria (see section 3).

The Institute has entered each recognition agreement after completion of a thorough review of the other body's professional examination and admission requirements vis-à-vis the QP. Each body can decide its own admission process, and the level of recognition by the Institute depends on how comparable their training is with the QP in preparing members to become CPAs.

**Section 2: Hong Kong Institute of CPAs' members applying for ACCA membership**

**Q1. What are the criteria for the Institute's members to become ACCA members under the ARA?**

A1. Hong Kong Institute of CPA members in good standing, who wish to apply for membership of ACCA, must have completed the Institute's qualification programme (QP) in full in Hong Kong. To be eligible for ACCA membership, they should have at least three years of practical experience in accountancy gained under an authorized employer or supervisor complying with the Institute's practical experience framework and meet other standard membership application requirements of ACCA from time to time, e.g. be fit and proper and not subject to any adverse disciplinary findings or pending complaint or investigation. In other words, a Hong Kong Institute of CPA member who qualified through the QP does not have to fulfill any extra criteria to apply for ACCA membership.

**Q2. I am a registered QP candidate of the February 2006 session. Is the ARA applicable to me?**

A2. Yes, the ARA is valid until 30 June 2010, renewed from 1 July 2010 to 30 June 2015 and applies to all Hong Kong Institute of CPA members who have qualified through the QP in Hong Kong.

**Q3. I am a QP candidate. Do I need to register as an ACCA student in order to take advantage of the ARA?**

A3. No, you are not required to register as an ACCA student. As long as you have completed our QP in Hong Kong, finished the practical experience, and gained membership, you are eligible to apply for ACCA membership.

**Q4. I have been admitted to QP by virtue of the agreement on the mutual examination paper exemptions for mainland and Hong Kong accountants under CEPA II/V and have been granted exemptions on two/three modules. Can I apply for membership of ACCA under the ARA?**

A4. No, the ARA is not applicable to you. It is only to members of the Hong Kong Institute of CPAs who have completed the full QP in Hong Kong.

**Q5. I was admitted to the Hong Kong Institute of CPAs upon completion of the HKSA/ACCA joint examination scheme (JES) and have not enrolled in the QP. Can I apply for ACCA membership under the ARA?**

A5. Although you are not covered by the ARA, you should be eligible for ACCA membership. Based on the JES, both the Institute and ACCA deem completion of the joint scheme examination as having satisfied the professional examination requirement of each body for membership admission.

**Section 3: ACCA members applying for the Hong Kong Institute of CPAs' membership**

**Q1. What are the criteria for ACCA members to become the Institute's members under the latest agreement?**

A1. ACCA members who wish to apply for membership of the Hong Kong Institute of CPAs need to meet the following eight criteria:

1. hold an accounting or non-accounting degree accredited or recognised by the Institute;
2. pass the full 14-paper ACCA professional examination in Hong Kong or the United Kingdom including:

	Old ACCA syllabus offered before December 2007 diet	New ACCA syllabus effective from December 2007 diet
i	Paper 2.2 (HKG) – Corporate and Business Law (Hong Kong)	F4 (HKG) – Corporate and Business Law (Hong Kong)
ii	Paper 2.3 (HKG) – Business Taxation (Hong Kong)	F6 (HKG) Taxation (Hong Kong)
iii	Paper 3.1 – Audit and Assurance Services	P7 – Advanced Audit and Assurance
iv	Paper 3.2 (HKG) – Advanced Taxation (Hong Kong)	P6 (HKG) – Advanced Taxation (Hong Kong)
v	Paper 3.7 – Strategic Financial Management	P4 – Advanced Financial Management

3. complete and pass the workshops of any one of the four modules of the CPA QP;
4. pass the final examination of the QP;
5. pass the Institute's aptitude tests on Hong Kong law and Hong Kong taxation or the ACCA Hong Kong law and taxation variant papers mentioned above;
6. gain at least three years of relevant accounting experience under an authorized employer or supervisor registered with the Institute and complying with the Institute's practical experience requirements;
7. be an ACCA member in good standing and a registered student of ACCA in Hong Kong or the United Kingdom on or after 16 August 2004; and
8. meet other standard membership application requirements of the Institute from time to time, e.g. be fit and proper and not subject to any adverse disciplinary findings or pending complaint or investigation.

Degree recognition

**Q2. I have a Bachelor of Science (Hons) in applied accounting from Oxford Brookes University. Am I eligible for membership in the Hong Kong Institute of CPAs under the ARA?**

A2. No. The Bachelor of Science (Hons) in applied accounting is not accredited by the Institute yet.

**Q3. What do you mean by “an accounting or non-accounting degree accredited or recognised by the Institute?”**

A3. For an accounting degree, it means a university degree in accountancy accredited or recognised by the Institute for registration as a QP student of the Institute. For a non-accounting degree, it refers to a university degree (other than an accounting degree) accredited or recognised by the Institute for degree holders who wish to register as a student of the Institute upon completion of its conversion programme.

Papers

**Q4. I have been exempted by ACCA from sitting some of the 14 papers of the ACCA professional examination. Have I met the requirement of having passed the ACCA professional examination under the ARA?**

A4. Not necessarily. An applicant who has been exempted by ACCA from sitting any of the 14 papers of the ACCA professional examination will be assessed by the Institute on a case-by-case basis to determine if the Institute’s full competency requirements have been satisfied. The applicant will be required to pay an overseas assessment fee, which currently is HK\$1,200. Any competency inadequacy identified by the Institute may be bridged by the applicant passing the relevant papers of the ACCA professional examination or the relevant subjects in programmes of or accredited by the Institute.

**Q5. When and how should I apply for assessment of my degree and the exemption(s) I have obtained from any of the 14 papers of the ACCA professional examination? What documents do I need to submit?**

A5. As you are required to register as a student of the Hong Kong Institute of CPAs in order to take the requisite QP module workshops and the final professional examination, you should apply for assessment of your degree and paper exemption(s) of the ACCA professional examination when you submit your Hong Kong Institute of CPAs’ student registration application. You should submit certified true copies of your degree certificate, transcript and the ACCA professional examination result report for the Institute’s assessment.

**Q6. I have completed the ACCA professional examination already, but it does not include all of the compulsory papers required by the ARA. Do I qualify for membership in the Hong Kong Institute of CPAs? If not, what should I do?**

A6. No, you must complete the five ACCA compulsory papers (See Section 3, A1, 2 above) in order to qualify for membership in the Hong Kong Institute of CPAs. You should either:

- (a) sit and pass the required paper(s) of the ACCA professional examination; or
- (b) complete and pass the corresponding QP competency requirements as follows:-

	Old ACCA syllabus offered before December 2007 diet	New ACCA syllabus effective from December 2007 diet	HKICPA corresponding QP competency requirements
i	Paper 2.2 (HKG) – Corporate and Business Law (Hong Kong)	F4 (HKG) – Corporate and Business Law (Hong Kong)	HKICPA Aptitude Test on Hong Kong Law
ii	Paper 2.3 (HKG) – Business Taxation (Hong Kong)	F6 (HKG) Taxation (Hong Kong)	HKICPA Aptitude Test on Hong Kong Taxation
iii	Paper 3.1 – Audit and Assurance Services	P7 – Advanced Audit and Assurance	Module C, Auditing and Information Management – workshop and examination
iv	Paper 3.2 (HKG) – Advanced Taxation (Hong Kong)	P6 (HKG) – Advanced Taxation (Hong Kong)	Module D, Taxation – workshop only; and HKICPA Aptitude Test on Hong Kong Taxation
v	Paper 3.7 – Strategic Financial Management	P4 – Advanced Financial Management	Module B, Financial Management – workshop and examination

Workshops

**Q7. I am a QP candidate and have already passed one module. Can the module result be transferred for satisfying one of the ARA requirements?**

A7. Yes, your module result can be used for satisfying the workshop requirement and/or the compulsory ACCA paper requirement, if applicable.

**Q8. I am a student of ACCA. Can I enroll for the workshops of the QP modules?**

A8. No. You must be a member or affiliate of ACCA and have obtained an accounting or non-accounting degree accredited or recognised by the Institute in order to be eligible for QP workshop enrolment.

**Q9. I have attended some workshops offered by ACCA. Have I fulfilled the**

**workshop requirement?**

A9. No, you must complete and pass the workshops of a QP module.

**Q10. What is the “workshop requirement” under the ARA? How can I get a pass in the workshops?**

A10. Under the ARA, you must complete and pass the workshops of any one of the four QP modules. In every QP module, there are four workshops, each lasting three to three-and-a-half hours. You are required to attend and participate in the workshops of the module, and your performance will be assessed by two workshop facilitators according to the Institute’s criteria. They will determine if you have passed the workshops. For more details, please look up the QP handbook at:

[http://www.hkicpa.org.hk/students\(NEW\)/siteA/gpFiles/gp6-1/handbook.pdf](http://www.hkicpa.org.hk/students(NEW)/siteA/gpFiles/gp6-1/handbook.pdf)

Final examination

**Q11. Do I need to register as a student of the Hong Kong Institute of CPAs if I enrol in the workshops of a QP module or the final examination?**

A11. Yes, you must register as a student of the Hong Kong Institute of CPAs and hence, shall be subject to the standard enrolment procedures applicable to QP students. You will also be obliged to pay module fees and the final examination enrolment fees, and the initial and annual student subscription fees charged by the Institute.

**Q12. I am a member of ACCA. I have not completed the QP workshops yet. Can I sit the final examination first?**

A12. No, you must complete and pass the workshops of any one of the four QP modules first before you are eligible to sit the final examination.

**Q13. I have opted to take one module of the QP for satisfying the ARA requirements. If I have passed the workshop component but failed the module examination, can I sit the final examination?**

A13. If you have opted to take one QP module to make up for any one of the compulsory papers of the ACCA professional examination that you have not taken, then you must pass the whole module before you are eligible to sit the Institute’s final examination. If you take the module to fulfil the workshop requirement, you are eligible to sit the Institute’s final examination after you have passed the workshop component.

**Q14. I am an ACCA Affiliate. I have completed the QP workshops. Can I sit the final examination?**

A14. Yes, you can sit the final examination after you have completed the QP workshops provided that 24 months have passed from the date when you have been granted an accounting or non-accounting degree, or from the date when you commenced practical experience training under an authorized employer or supervisor registered with the Institute, whichever is the later.

**Q15. I am a student of ACCA. Can I sit the final examination?**

A15. No. The ARA stipulates that the ARA benefits are only available after you complete the ACCA examinations and meet the prescribed requirements.

Aptitude tests

**Q16. Do I need to take the Hong Kong Institute of CPA's aptitude test? Are there any other options to satisfy the aptitude test requirement?**

A16. Yes. You may satisfy the aptitude test requirement by passing the Institute's multiple-choice questions in the Hong Kong law and taxation or PC-law and PC-tax planning examinations. You can be exempted from the aptitude test on Hong Kong law if you have sat and passed Paper 2.2 (HKG)/F4 (HKG) – Corporate & Business Law (Hong Kong) of the ACCA professional examination. Similarly, you can be exempted from the Institute's aptitude test on Hong Kong taxation if you have sat and passed Paper 2.3 (HKG)/F6 (HKG) – Taxation (Hong Kong) and Paper 3.2 (HKG) /P6 (HKG) – Advanced Taxation (Hong Kong) of the ACCA Professional Examination.

**Q17. I have studied and passed the relevant subjects of the Hong Kong Institute of CPAs 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 ARA?**

A17. Yes.

**Q18. I have sat and passed the relevant papers of the Hong Kong Institute of Accredited Accounting Technicians Examinations before 30 June 2005. Are these results recognised as satisfying the aptitude test requirement under the ARA?**

A18. Yes.

**Q19. Are there training courses or student services provided by the Institute to help me pass the workshops, final examination and aptitude tests?**

A19. Yes, the Institute offers an examination assistance course and examination revision course to assist registered students in preparing for the QP modules

and final examination. For the aptitude tests, you may enrol in the relevant practising certificate revision course. Please refer to the “Become a Hong Kong CPA” section on the Institute’s website at <http://www.hkicpa.org.hk/en/> for details.

Practical experience

**Q20. Regarding the three years of practical experience in accountancy for membership in the Hong Kong Institute of CPAs, does the whole length of experience need to be acquired under an authorized employer(s) or supervisor(s) registered with Hong Kong Institute of CPAs? Will my experience acquired prior to my registration as a student of ACCA, and not under the Institute-authorized employer/supervisor, be counted?**

A20. Your practical experience acquired on and after 1 July 2005 has to be obtained under the Institute’s authorized employers or supervisors. You may use your relevant experience in accountancy, acquired before 1 July 2005, to satisfy the practical experience requirement based on individual merits. Such experience does not need to be gained under the Institute’s authorized employers or supervisors but will be considered on a case-by-case basis.

Relevant experience in accountancy acquired prior to your registration as a student of ACCA may be counted and the above rule on requiring experience after 1 July 2005 supervised by the Institute’s authorized employers or supervisors will apply.

**Q21. My current employer is an ACCA accredited employer but is not an authorized employer or supervisor of the Institute. Will my experience qualify for membership admission to the Hong Kong Institute of CPAs?**

A21. No.

**Q22. I have quit my job after working for 11 months in a company which is an authorized employer. Will this experience be counted?**

A22. 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

ACCA students and members

**Q23. I am now a full member of ACCA. Is the agreement applicable to me?**

A23. If you were registered as a student of ACCA before 16 August 2004, you will be eligible for Hong Kong Institute of CPA membership under the transitional arrangements of the former mutual recognition agreement which expired on 30 June 2005. The ARA is not applicable to you. If you were registered as a student of ACCA on and after 16 August 2004 in Hong Kong or the United Kingdom, the ARA applies to you.

**Q24. I am an ACCA student. Do I need to register as a registered student of the Hong Kong Institute of CPAs in order to take advantage of the ARA?**

A24. Yes, but you must become a ACCA member or affiliate first before you can register as a student of Hong Kong Institute of CPAs and take the QP workshops and the final examination. Under the ARA, you must pass the workshops of any one of the four modules of the QP as well as the final examination in order to be eligible for membership in the Hong Kong Institute of CPAs; and to do so, you must register as a registered student of the Hong Kong Institute of CPAs.

**Q25. If I registered as a student of ACCA before 16 August 2004 but failed to pass the ACCA professional examination by the specified deadline, what should I do?**

A25. The ARA will apply to you. However, you should be aware that you must fulfill all requirements under the ARA which have not been imposed under the

transitional arrangements of the former MRA (e.g., ACCA students registered in Hong Kong or the United Kingdom, recognised degree requirements, assessment fee for ACCA paper exemptions, compulsory ACCA papers, registration as a student of the Institute, completion of the workshop, final examination, aptitude test and practical experience requirements, etc.)

**Q26. If I have been admitted as a registered student of ACCA on or before 15 August 2004, what do I need to do become a member of the Institute?**

A26. You must have passed all ACCA examinations held on or before:

Accounting graduates 30 June 2007

Non-accounting graduates 30 June 2008

Non graduates 30 June 2009

You must have fulfilled the Institute's practical experience requirement where candidates work under Institute-authorized employers or supervisors and must hold good standing as an ACCA member when applying. (The accounting graduate/ non-accounting graduate/ non graduate mentioned above refers to your status on 15 August 2004. For example, if you held an accounting degree on 15 August 2004, you must pass all ACCA examinations by 30 June 2007.)

Mainland China

**Q27. I am a full member of ACCA qualified by passing some of the examinations held in Mainland China and some in Hong Kong. Can I join the Institute through the ARA?**

A27. No, under the ARA, you must have passed the ACCA professional examination in Hong Kong or the United Kingdom and not in any other place.

**Q28. Am I (ACCA member) eligible for any exemption from the PRC CPA Uniform Examination under the mutual examination paper exemptions (MEPE) agreement for mainland and Hong Kong accountants after admission to the Hong Kong Institute of CPAs through the ARA?**

A28. No, only Institute members who were admitted to the Institute on or before 29 July 2008 can enjoy exemption from three out of five papers of the PRC CPA Uniform Examination (Under CICPA new examination system, eligible Institute members and QP graduates can be exempted from three out of seven papers). Members admitted to the Institute on or after 30 July 2008 need to have qualified through completion of the QP in full in order to enjoy the exemption.

Practising certificate

**Q29. I understand that the former MRA and the ARA are applicable for membership purposes only and not for rights to practise public accountancy or conduct statutory audits. What are the Institute's**

**practising certificate requirements?**

A29. In general, there are additional requirements with regard to residency, audit experience, practising certificate examinations and other conditions. Please go to the link below for detailed requirements for a practising certificate, which will allow you to sign statutory audit reports:

<http://www.hkicpa.org.hk/en/registration-and-licensing/obtain-practising-certificate/issuance-requirements/>