

MEMORANDUM OF COOPERATION

BETWEEN THE CHAMBER OF FINANCIAL AUDITORS OF ROMANIA (CAFR) AND THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS (ACCA) FOR PROFESSIONAL RECOGNITION

THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

Headquartered in 29 Lincoln's Inn Fields, London WC2A 3EE, United Kingdom (hereinafter called ACCA), legally represented by Helen Brand, Chief Executive

AND

THE CHAMBER OF FINANCIAL AUDITORS OF ROMANIA

Headquartered in Str. Sirenelor 67 – 69, Sectorul 5, București, România. (hereinafter called CAFR), legally represented by Prof.univ.dr. Ion Mihăilescu - President,

Jointly agreed the following memorandum on professional recognition:

I. Recognition of the ACCA members by CAFR

1. An ACCA member who wishes to be approved in Romania as a financial auditor, must fulfil all the following conditions:
 - a) to be a full member of ACCA;
 - b) to have minimum 3 years experience in financial audit (as an employee, partner or shareholder of a company or group of companies that has as its activity the financial audit
 - c) to satisfy the requirements of the Code of Professional Ethics issued by the International Federation of Certified Accountants (IFAC);
 - d) to prove that they possess the necessary knowledge to carry on the financial audit activity in Romania, by supporting an interview-test in Romanian language which includes knowledge of Romanian legislation, to the extent that those are relevant for the financial audit.

2. The ACCA member who applies to be approved as a financial auditor in Romania, must submit a file at the CAFR headquarters, that will contain the following documents:
 - a) application form for granting the status of financial auditor;
 - b) copy of the passport or other ID;
 - c) copy of the certificate/diploma attesting him or her as an ACCA member;
 - d) recommendation letter from the ACCA, stating the following:
 - specifying the membership that the candidate possesses at the date of the issuance of the letter and that he has a good professional reputation and has no permanent disciplinary penalty from ACCA;

- indication that the ACCA has adopted and oversees respecting the requirements of the Code of Ethics issued by IFAC;

e)- a document certifying that the ACCA member has achieved at least three years of professional experience in statutory audit (as an employee, partner or shareholder of an auditing company, member of CAFR or member of a professional body of another State - Member of the European Union, which gave that company the right to carry on statutory audit activity in the respective Member State). This document can be in the form of a certificate/ labour permit/ another document which such person obtains from the auditing company. If it is an auditing company which is a member of a professional body in another State - Member of the European Union, this act must be accompanied by a certificate from that professional body stating that the mentioned auditing company may carry on the statutory auditing activities in that state, Member of the European Union. The requirement of minimum three years of professional experience in statutory auditing can be replaced with a practicing certificate and qualification in auditing obtained by that person from ACCA;

f)- 3 photos pass type (3/4);

g)- a copy of the document of registration fee payment for the skills test;

h)- judicial record within the legal validity.

3. The documents mentioned in paragraph 2. must be accompanied by a translation into Romanian language made by an authorised Romanian translator.

4. The department of admission, continuous training and trainees of CAFR verifies the files and notifies the applicants, within 30 days of the date of their submission, if the documents submitted are appropriate or not to the requirements of this Protocol. If the documents are not adequate, the period to complete the file and render it correct is no longer than 15 working days after the receipt of the above announcement. If the file has not been completed within the period specified above, the application is deemed rejected and the Department of admission, continuous training and trainees communicates the situation to the applicants.

5. The people whose documentation is complete, will sustain a test-interview organized by CAFR, according to the syllabus set by the Committee for Examination and announced to the applicants by the Department of admission, continuous training and trainees. The test-interview will be held in Romanian language. The test-interview is held twice a year in June and November each year.

6. The persons declared admitted to the test-interview organized by CAFR will receive from the Department of admission, continuous training and trainees a certificate of temporary authorization. The Department of admission, continuous training and trainees will send the list of participants at the test-interview to the Romanian Council for public oversight of statutory audit activity, for their approval to carry on the statutory auditing activity in Romania.

7. Individuals, natural persons, authorized by the Chamber and approved by the Council for public oversight of statutory auditing activity will address to the Department of Services for members in order to register in the Public Registry and for the issuing of the authorization of member of the Chamber.

8. If a person registered at ACCA which has not yet become a full member requests the approval as a financial auditor in Romania, he or she must fulfil the following requirements:

- the students who are registered at ACCA and have promoted some of the exams organized by ACCA will have an exemption from the access test to training organized by CAFR, based on a certificate issued by ACCA stating this;

- the person applies for the registration at the training period organized by CAFR, becomes a trainee of CAFR and performs the three years of training, according to the legal provisions of the CAFR;

- at the end of the training period, after that person has obtained also the ACCA membership on the basis of the diploma issued by ACCA (the diploma of ACCA membership, together with a translation in Romanian language made by an authorised translator will be deposited at the CAFR headquarters) the person will register for the exam of professional competence, organized by CAFR, and then will sustain only the test for application of knowledge in practice, included in the examination of professional competence;

- the candidates admitted to the exam of professional competence referred to above, will register in the public register of financial auditors of the CAFR, according to the valid legal provisions.

9. If a person is an ACCA member but with no experience in statutory audit and is requesting authorization as financial auditor in Romania, s(he) must fulfil the following requirements:

- the diploma of ACCA member together with its Romanian translation made by an authorized translator in Romania will give the exemption from the test of access to training;

- the person requesting registration to the training stage organized by CAFR will receive the quality of trainee of CAFR and will perform the 3 years of stage according to the legal provisions of CAFR;

- at the end of training period the person will register for the exam of professional competence organized by CAFR, sitting only the test of the practical application of knowledge, included in the exam of professional competence;

- the candidates who passed the exam of professional competence mentioned before will register in the Public Registry of CAFR financial auditors, according to the legal provisions.

II. Recognition of CAFR members by ACCA for Chartered Certified Accountant status and Registered Auditor status in the UK

1. In accordance with European Union Directive 2005/36/EC, and the 8th company law directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts an individual shall be eligible for membership of ACCA, Chartered Certified Accountant status and if applicable, UK Registered Auditor status, if he/she:

i is a member of CAFR having completed the CAFR Program of Professional Studies and has satisfied the CAFR practical experience requirements;

ii has practised as a financial auditor there for three years and has a certificate, issued by CAFR, attesting to that period of practice.

iii satisfies the Admissions and Licensing Committee as to his general character and suitability; and

iv completes a 2 stage Aptitude Test, conducted in English language. A summary is detailed below, however applicants will be referred to the ACCA MRD factsheet for further guidance.

Aptitude Test – Stage 1 is an Overview of UK Tax and Law course. All exams are held in June and December each year. Applicants may be eligible for exemption from the Overview of UK Tax and Law course if they have passed ACCA Paper F4, *Corporate and Business Law* (England, Scotland or Global); Paper F6, *Taxation*(UK) or acceptable tax and law courses from a recognised institution in the UK. Please note that applications will only be finalised once a copy of the pass certificate for the Overview of UK Tax and Law course (or other documentation confirming exemption from this course) has been submitted to ACCA.

Aptitude Test – Stage 2 consists of an oral examination. The content is determined individually on the basis of the applicant's existing professional qualification(s) and experience and consequent

'knowledge gap'. For those applicants requiring registered auditor status, the oral examination will examine the ability to apply in practice knowledge of the conduct of an audit. ACCA's examinations Paper F8, *Audit and Assurance* and Paper P7, *Advanced Audit and Assurance* cover this area specifically.

2. A CAFR member who applies to be a member of ACCA and/or chartered certified accountant status, and/or UK Registered Auditor status must submit the documents detailed below to ACCA Customer Services, ACCA, 2 Central Quay, 89 Hydepark Street, Glasgow G3 8BW, United Kingdom with the Stage One Aptitude Test fee of £150. The Stage Two Aptitude Test fee (£400) becomes payable on successful completion of Stage One.

- completed application form for membership of ACCA and/or chartered certified accountant status and/or UK Registered Auditor status
- proof of nationality of an EU Member State, Iceland, Liechtenstein, Norway or Switzerland (ie a copy of their passport or identity card)
- a letter from CAFR, confirming that they are a member in good standing (eg that there are no disciplinary actions pending or on file), stating the date of admission to membership, and including confirmation that they have completed the CAFR programme of study and practical experience requirements
- two identical passport-sized photographs – maximum size: 60mm x 50mm, both of which must have their full name and signature on the reverse

3. The documents mentioned in paragraph 2 must be accompanied by a translation into English language made by an official translator.

4. The ACCA Admissions Department verifies the applications and notifies the applicants, within 30 days of the date of their submission, if the documents submitted are appropriate or do not meet the requirements of this Agreement. If the application does not include the required documents, the period to complete the application and render it correct is no longer than 15 working days after the receipt of the above advice. If the application has not been completed within the period specified above, the application is deemed incomplete and the Admissions Department communicates the situation to the respective applicant.

5. Applicants, fulfilling the documentary requirements of this agreement, will be eligible for the 2 stage Aptitude Test, organised by the ACCA Admissions Department. Full guidance will be provided to applicants under the requirements of the respective EU Directives.

6. Successful candidates will be provided with the requested ACCA certification as appropriate. On admission to ACCA membership an individual is able to use the designatory letters 'ACCA'. On admission to membership an individual will be invoiced for the admission to membership fee (£189 in 2010) and, if applicable, the practising certificate fee (£370 or £80 in 2010). (The £80 rate applies only where fee income will be under £5,000 per calendar year and is not available to an applicant for the practising certificate and audit qualification).

7. A person registered with CAFR, but has not yet completed all the CAFR membership requirements, who registers with ACCA, may be eligible for exemptions from the ACCA examinations.

III. Final provisions

1. This Memorandum shall be valid from the date of the signing by both parties.
2. At the date of signing this memorandum, the validity of the agreement between the Chamber of Financial Auditors of Romania and the Association of Chartered Certified Accountants signed on May 27, 2003 ends.

With the parties present at the day and date mentioned prior in the document

Signed on behalf of

Association of Chartered Certified Accountants (ACCA)

Robert · *ROGER ACTON, REGIONAL DIRECTOR, ACCA.*

(insert name and position)

ACCA ROMANIA

Str. Buzzești 61, Bl. A6, Sc. A,
Et. 5, Ap. 30, Sector 1
011013 București, România



Date.....*27/1/11*

Signed on behalf of

Camera Auditorilor Financiari din Romania (CAFR)

Prof.univ.dr. Ion Mihăilescu, President

Date: 22.12.2010

