



ACCELERATED PROGRAMME FOR ECONOMIC INTEGRATION (APEI)
REPORT OF THE SECOND NEGOTIATING ROUND
FOR A
MUTUAL RECOGNITION AGREEMENT AMONG THE COMPETENT AUTHORITIES
REGULATING ACCOUNTANTS AND AUDITORS

January 9 – 11, 2018
Intercontinental Hotel, Balaclava, Mauritius

Introduction

1. The APEI Second Negotiating Round on a Mutual Recognition Agreement among the Competent Authorities Regulating Accountants and Auditors took place on 9 – 11 January 2018 in Balaclava, Mauritius. This meeting followed the APEI First Negotiating Round for a Mutual Recognition Agreement for Accountancy Services which was held in October 2017.
2. The APEI Second Negotiating Round was attended by regulators of the accountancy profession and government officials from Malawi, Mauritius, Mozambique, Seychelles and Zambia. The meeting was also attended by officials from the Regional Multidisciplinary Centre of Excellence (RMCE) and the Commonwealth Secretariat. The list of participants is attached as **Annex I**.

Opening Session (Agenda Item 1)

3. Mr Prakash Hurry, on behalf of the Board of Directors of RMCE, extended a warm welcome to all delegates to the 2nd Negotiating Round and expressed his best wishes to all delegates for a happy and prosperous new year. He also expressed gratitude to the Government of Mauritius for hosting the meeting and to the Commonwealth Secretariat for the technical and financial support for the negotiation of a MRA in Accountancy. In addition, he informed the meeting about the support from the ACP TRADECOM II to pursue the agenda of the APEI and the high level meeting which took place in Washington on 13 October, 2017 on the sidelines of the Annual Meeting of the World Bank/ IMF.
4. In his opening remarks, Mr Kenneth Matupa, Director, Revenue Policy in the Ministry of Finance, Economic Planning and Development, Republic of Malawi and Technical Chair, APEI, expressed gratitude, on behalf of the delegates, to the Government of Mauritius for hosting the second round of negotiations and the warm welcome and hospitality accorded to the delegates. He wished all the delegates a happy and prosperous new year. He further thanked the RMCE for the excellent coordination and logistical arrangements which has ensured full participation of all APEI member countries. In addition, he encouraged the RMCE to continue providing its services in anchoring the APEI initiative. He also thanked the Commonwealth Secretariat for the financial and technical support that they continue to offer to the APEI. He thanked the Adviser from the Commonwealth Secretariat in providing valuable assistance in guiding the negotiation for the APEI MRA for accountancy services which will facilitate the movement of accountants and auditors in the APEI region. He noted the good progress made so far in general under the APEI. These included the signing of the MOU for the Facilitation of Business Persons and Professionals in September 2016, and the Accountancy Regulators' Forum held in March 2017 whose key output was the

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Draft APEI MRA for accounting services. He reiterated that the purpose of the second round of negotiations was to review and update the draft APEI MRA, monitor progress in terms of the agreed road map for the APEI MRA and get updates on the APEI process.

5. He invited members to note the agenda for the second round of negotiation for the MRA among the Competent Authorities Regulating Accountants and Auditors which focuses mainly on; discussion and validation of outcomes of the regulatory audit for the accounting sector and review and updating of the Draft Accountancy services MRA. He also recognized the support from other partners such as the World Bank, EU and ACP. He noted that at the APEI high level meeting held in October 2017 in Washington D.C., on the sidelines of the World Bank/IMF Annual Meetings, members renewed their commitment to the APEI process. He emphasized the need for closer co-operation among APEI members and encouraged members to continue being dedicated to accomplish the work under this initiative to facilitate the movement of accountants and auditors in the APEI region. In his closing remarks, he wished all the delegates a fruitful deliberation and was confident that an agreement will be reached on all the bracketed areas in the draft MRA for the benefit of the APEI region.
6. In his introductory remarks, Mr. Kirk Haywood, Trade Adviser at the Commonwealth Secretariat noted that the purpose of the meeting was to (i) review the regulatory stocktake that had been conducted for the accountancy sector in APEI countries (ii) review and update the draft APEI Accountancy MRA and (iii) devise a work plan leading up to the signature and operationalisation of the MRA. He wished members a successful deliberation.
7. Mrs Hema Domun-Suddul, Trade Policy Analyst in the International Trade Division of the Ministry of Foreign Affairs, Regional Integration and International Trade welcomed all participants for the Second Round of Negotiation of a Mutual Recognition Agreement between the competent authorities for Accountants and Auditors, and expressed thanks to the Commonwealth Secretariat for sponsoring negotiations and allowing APEI to make progress on the APEI agenda. In conclusion, she wished the meeting fruitful discussions on the Mutual Recognition Agreement.

Adoption of the Agenda (Agenda Item 2)

8. The Meeting considered and adopted the following agenda and organization of work:
 - i. Opening Remarks
 - ii. Adoption of the Agenda
 - iii. Reviewing and Updating the Draft APEI MRA
 - iv. Updates on the Regulatory Matrix
 - v. Updating the Roadmap
 - vi. Adoption of the Report

9. The adopted annotated agenda hereto attached as **Annex II**.

Reviewing and Updating the Draft APEI MRA (Agenda Item 3)

10. The Meeting reviewed and updated the draft APEI MRA for Accountancy Services, focussing primarily on areas of divergence in the comments that were submitted prior to the meeting. The meeting was able to arrive at consensus on all outstanding policy issues.
11. The adopted draft APEI MRA for Accountancy is hereto attached as **Annex III**.
12. It was noted during the discussions that:

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- (i) National consultations are ongoing in the Republic of Mozambique regarding the signature of the Memorandum of Understanding for Facilitation of Movement of Business Persons and Professionals between APEI countries. The Republic of Mozambique further informed the meeting that labour laws are being revised and the process will take into account the APEI MoU;
- (ii) Member States need to agree on the depository of the MRA; and
- (iii) The key challenge will be in implementation, and members should begin reflecting on how to ensure the operationalization of the agreement after it is signed.

Updates on the Regulatory Matrix (*Agenda Item 4*)

13. Members took note of the submissions that were received intersessionally on the matrix, and provided further comments in the meeting. The meeting adopted the regulatory matrix as a final working document to support the implementation and domestic reform process.

Updating the Roadmap (*Agenda Item 5*)

14. The Meeting adopted the roadmap for negotiating the APEI MRA for Accountants and Auditors, and agreed as follows:

Date	Activity	Milestone(s)
22 – 24 March 2017	Accounting Regulators Forum	<ul style="list-style-type: none"> • Regulatory Exchange • Develop Draft MRA
9 – 11 October 2017	1st Negotiating Round	<ul style="list-style-type: none"> • Updated Regulatory Matrix • Updated Draft MRA
09-11 January 2018	2 nd Negotiating Round	<ul style="list-style-type: none"> • Updated Draft MRA • Agreed Regulatory Matrix • Concluded MRA
April-May 2018	Legal Scrubbing	<ul style="list-style-type: none"> • Legal Scrubbing • Implementation Modalities
May-June 2018	Domestic Clearance for Signature	<ul style="list-style-type: none"> • Authority to sign received by local authorities. Some Member States will require Cabinet approval.
June 2018	APEI Committee Signing Ceremony	<ul style="list-style-type: none"> • Signature

Update on the APEI Process (*Agenda Item 6*)

15. The Officer in Charge referred to the minutes of the High Level meeting of APEI members held on 13th October, 2017 on the sidelines of the Annual Meeting of the World Bank/ IMF. The meeting renewed their commitment to the APEI process and stressed the need to be more focussed in accelerating the APEI agenda. The high level meeting agreed to the following:
- Secretariat: Members would establish a more formal mechanism to coordinate the APEI process through a Secretariat. Mauritius offered to confer land and a building to host a secretariat office, and to contribute to the running budget of a secretariat. It was also agreed that terms of reference for the Secretariat would be developed and circulated to the members for their discussion and agreement.

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- Technical meeting: An APEI technical meeting is to be organized to continue discussions on the areas that were identified at the annual meetings to further the APEI agenda. Following a request from the current Chair (Malawi) the issue of the rotating Chair will also be discussed at this technical meeting which will be supported by the World Bank Group.
- Regional Business Plan: Members confirmed their strong interest in developing a regional business plan that would seek to be an APEI roadmap for regional integration. This roadmap would articulate the key objectives, identify concrete interventions in physical connectivity, trade and investment, and economic diversification areas and identify key outcomes expected for the APEI countries. The business plan would also identify areas of Bank support for interventions and activities. It would seek to identify and mobilize progress on "quick wins".
- World Bank Group support: Members encouraged the bank to develop a more cohesive approach for WBG support in line with its regional integration strategy to the APEI countries under the variable geometry principle. This would be more flexible support that was not instrument-specific (including a mix of Technical Assistance, investment lending and policy lending support) over a longer time frame and address the multiple challenges to deeper regional integration. These would be identified through the regional business plan.

16. The meeting was also informed that World Bank would conduct missions to all APEI countries in mid to late February 2018 to discuss the RMCE Regional Business Plan. The Officer in Charge recalled that the minutes were circulated to all coordinators for comments for onwards transmission to the World Bank.

17. The meeting was further informed that the ACP TradeCom II secretariat has informed RMCE of its willingness to support the APEI agenda and related Terms of Reference under preparation by the ACP-Tradecom II secretariat will be circulated to all coordinators.

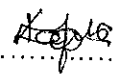
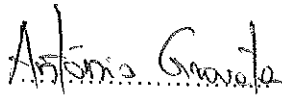
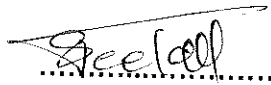
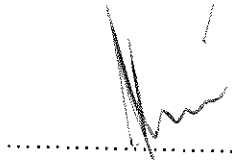
18. It was also noted that the European Commission may be able to support public-private structured dialogues. A concept paper to facilitate private and public sector dialogue in APEI countries, hereto attached at Annex IV, was circulated for comments to be forwarded to RMCE by end next week for possible consideration for funding.

19. Finally, the officer in charge requested co-operation from all APEI coordinators in the preparation of meeting to avoid late issuance of air tickets.

ADOPTION OF REPORT AND CLOSING OF THE MEETING

20. The meeting adopted its Report with amendments and thereafter signed on 11 January 2018 as reflected hereunder:

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