MEMORANDUM OF RECOGNITION BETWEEN THE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (IDES) AND THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES (ICAEW) FOR PROFESSIONAL RECOGNITION

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF ENGLAND AND WALES (ICAEW)

Headquartered in Chartered Accountants' Hall, Moorgate Place, London, EC2R 6EA, UK (hereinafter called ICAEW), legally represented by Sharon Spice, Director of Global Student Recruitment

AND

THE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (IDES)
Headquartered in Sofia, 22, Iskar Street, (hereinafter called IDES), represented by Iliya Iliev, President,

Jointly confirm the following Memorandum on professional recognition:

Part 1 of this Memorandum sets out the requirements for membership of IDES and where relevant statutory auditor recognition in Bulgaria for the following:

1. ICAEW members with statutory audit rights in the EEA, the UK or another third country
2. ICAEW members without statutory audit rights in the EEA, the UK or another third country
3. ICAEW students, who are resident in Bulgaria, who have partially completed their ACA examinations in Bulgaria, the UK, or in any other country where the ACA is offered.

Part 2 of this Memorandum sets out the requirements for admission to ICAEW membership for the following:

1. IDES members who have completed the full education and training route to gain the IDES professional qualification.
2. IDES students who have partially completed their IDES examinations in Bulgaria.

The Memorandum is without prejudice to any legal requirements which are or may be put in place by the EU, Bulgaria or the UK with respect to immigration or other relevant rules to mobility outside of the scope of this Memorandum.

Both parties undertake to work cooperatively to implement the substance of the Memorandum and liaise as deemed necessary where there are changes in legislation impacting on either party.

For the avoidance of doubt UK audit rights are not included in this Memorandum as regulated areas are controlled by the UK regulator the FRC.

PART 1

The requirements for c for membership of IDES and statutory auditor recognition in Bulgaria apply as set out below under I, II and III for eligible ICAEW members and students:

I. ICAEW members who hold in the EEA, the UK or another third country the rights to sign audit reports.

1. For the avoidance of doubt for the purposes of Section I an ICAEW member is one who has completed the full education and training programme to obtain the ACA, who has entered into membership of the ICAEW and who has fulfilled all necessary requirements to become a statutory auditor in the EEA, the UK or another third country. In order to apply for IDES membership and recognition for statutory audit rights in Bulgaria, the requirements are:
   a) Successfully pass the IDES examinations in Bulgarian commercial, tax and social security law, in the Bulgarian language, in accordance with the Rules on the Organization and Conduct of Certified Public Accountant Examinations.
   b) Confirm compliance with the requirements of the professional Code of Ethics issued by the International Federation of Certified Accountants (IFAC)

2. Applications are to be submitted to IDES Headquarters with the documentation set out below, with accompanying translations in the Bulgarian language made by a certified translator:
   a. application form
   b. copy of passport or other ID
   c. copy of the ICAEW membership certificate
   d. letter of good standing from ICAEW, stating the following:
      i. specifying that the applicant is a member of ICAEW at the date of the issuance of the letter, that they are a member in good standing and have no permanent disciplinary penalties from ICAEW
      ii. confirming that the ICAEW has adopted and oversees the requirements of the Code of Ethics issued by IFAC
   e) a document certifying that the candidate is a registered auditor qualified to sign audit reports and has been entered into a public register of registered auditors.
   f) a document certifying that the ICAEW 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 IDES or member of a professional body of another EEA State / Member of the European Union/ third country, which gave that company the right to carry on statutory audit activity in the relevant 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 EEA State / Member of the European Union/ third country, 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.

   g) judicial record of the person within the legal validity (to guarantee that the person has no criminal record).

Upon completion of the above noted examinations with IDES and approval of the documentation set out ICAEW members will be invited to join IDES and will be recorded on the Bulgarian register of Auditors.

II. ICAEW members who do not hold in the EEA, the UK or another third country the rights to sign audit reports

For the avoidance of doubt for the purposes of section II an ICAEW member is one who has completed the full education and training programme to obtain the ACA, who has entered into membership of the ICAEW but who has not fulfilled the necessary requirements to become a statutory auditor in the EEA, the UK or another third country.

The requirements set out below will enable the ICAEW member to obtain IDES membership and be entered onto either the register of auditors or the register of certified public accountants

1. In order to make an application to IDES, ICAEW members will need to complete the following:
    a) Successfully pass the IDES examination with questions from the Accountancy Law and the National Accounting Standards in the Bulgarian language
    b) successfully pass the IDES examinations in Bulgarian commercial, tax and social security law, in the Bulgarian language, in accordance with the Rules on the Organization and Conduct of Certified Public Accountant Examinations
    c) confirm compliance with the requirements of the professional Code of Ethics issued by the International Federation of Certified Accountants (IFAC)

2. Upon completion of the above candidates who have minimum 3 years' experience in financial audit (as an employee, partner or shareholder of a company or a group of companies that has as its activity the financial audit) shall apply for being entered into the register of registered auditors. All other candidates shall apply for being entered into the register of certified public accountants.

3. Applications are to be submitted to IDES Headquarters accompanied by the documentation set out in I, 2 a-d and g above.

4. In addition, where applicable as per II(2) – the applicant should provide a document certifying that the ICAEW 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 IDES or member of a professional body of another EEA State / Member of the European Union/ third country, which gave that company the right to carry on statutory audit activity in the relevant 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 EEA State / Member of the European Union/ third country, 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.

III. ICAEW students

For the avoidance of doubt an ICAEW student is one who is in the process of completing the full education and training programme to obtain the ACA professional qualification.

The IDES requirements in this section implement Art.15 of the Independent Financial Audit Act which permits the granting of credits for the IDES examinations in Accounting and Independent Financial Audit, where a candidate has successfully passed such examinations at an organization which is authorized by the respective legislation of a country member of the European union or a third country to conduct examinations for acquiring the qualification of a registered auditor. This memorandum confirms IDES' recognition of ICAEW's relevant examinations in this respect.

1. In order to make an application to IDES for credit against the relevant modules and go on to apply for membership and statutory audit rights with IDES an ICAEW student will be required to complete the following:
   a) successfully pass or have received exemptions towards the ICAEW exams; Corporate Reporting, Data and Assurance, Assurance, Risk and Reporting and Technical Case Study and the ICAEW ACA Certificate Level which incorporates the examination in Accounting Fundamentals, for which IDES will award credit against the Accountancy and Independent Financial Audit exams.
   b) successfully pass the IDES examination with questions from the Accountancy Law and the National Accounting Standards in the Bulgarian language
   c) successfully pass the IDES examinations in Bulgarian commercial, tax and social security law, in the Bulgarian language, in accordance with the Rules on the Organization and Conduct of Certified Public Accountant Examinations
   d) Successfully complete a period of approved work experience which meets the requirements of the Bulgarian government and the IDES regulations for application to the register of auditors or the register of certified public accountants.

2. An application including the following documents must be made to IDES Headquarters for review. Where applicable, documents must be accompanied by a translation in the Bulgarian language made by a certified translator:
   a) application form
   b) copy of the passport or other ID
   c) document issued by ICAEW for successfully passed examinations
   d) judicial record of the person within the legal validity (to guarantee that the person has no criminal record).
   e) where applicable as per III(1)(d) - a document certifying that the ICAEW student has achieved at least three years of professional experience in statutory audit (as an employee, partner or shareholder of an auditing company, member of IDES or member of a professional body of another EEA State / Member of the European Union/ third country, which gave that company the right to carry on statutory audit activity in the relevant 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 EEA State / Member of the European Union/ third country, 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.

3. ICAEW students who have completed the ACA Certificate Level examinations may apply with IDES for the examinations referred to in Art.15 of the Independent Financial Audit

Act, being deemed compliant with the requirements under Art. 14 of the Independent Financial Audit Act.

PART 2

Recognition for membership of the Institute of Chartered Accountants in England and Wales of eligible IDES members and students:

I IDES Members

For the avoidance of doubt an IDES member is one who has completed the full education and training route to gain the IDES professional qualification and who is registered on either the register of Auditors or the Register of Certified Public Accountants.

An individual who became an IDES member through an advanced credit memorandum or reciprocal membership memorandum with a third party will not be eligible for membership of ICAEW unless specifically approved by ICAEW.

1. In order to make an application to ICAEW an IDES member will be required to have completed the following:
   a) Confirm successful completion of the IDES qualification, in particular the IDES Independent Financial Audit and Accountancy modules against which ICAEW will award Credit For Prior Learning (CPL) for the Assurance Risk and Reporting and Corporate Reporting, Data and Assurance modules of the ACA
   b) Successfully pass the remaining ICAEW ACA exams namely: Sustainability and Ethics, Accounting Fundamentals, Business Insight and Performance, Tax Fundamentals, Assurance and Risk Fundamentals, and Business Law at Certificate level; Fundamental Case Study, , Business and Digital Strategy, Tax Compliance and Planning and Corporate Financial Strategy at Professional Level; and, the Technical and Strategic Case Studies at Advanced Level.
   c) complete a period of Practical Work Experience, Professional Development and the Ethics Leaning programme.

2. IDES members will be eligible to apply for ICAEW membership having obtained CPL against their professional qualification from a third party recognised by ICAEW. IDES members and students who studied at an ICAEW recognised university will be eligible for Credit for Prior Learning provided they have graduated within the five years prior to the application. For the avoidance of doubt the CPL that will be awarded to a member or student of IDES is that set out on the ICAEW CPL database against their degree or professional qualification.

3. An application including the following documents must be made to the ICAEW for review:
   a) Confirmation of home body membership
   b) A letter of good standing from IDES, confirming:
      i. The applicant has no disciplinary record with IDES;
      ii. no outstanding complaints with IDES; and
      iii. that IDES are aware of no ethical or other reason why the applicant could

not be admitted to ICAEW.

c) Confirmation from IDES that the applicant qualified via the normal training and education route, and not via a reciprocal or advanced credit route
d) Proof of the applicant's identity such as a copy of a passport

All documents produced by IDES must be certified in English in order for the application to be processed.

4. IDES members seeking UK statutory audit status in the UK will be subject to the policy of the UK Financial Reporting Council whether set unilaterally or as part of a UK-Bulgaria or UK-EU reciprocal arrangement for statutory auditors.

5. IDES members joining ICAEW through this Memorandum and wishing to engage in public practice in the UK or Republic of Ireland will be required to hold an ICAEW practicing certificate. For the avoidance of doubt, IDES affiliates will not be eligible for a practicing certificate.

6. The obligations of IDES members to respect and to work in accordance with the laws and regulations in force in the UK in no way reduce or remove their obligations as IDES members to respect and obey IDES rules, regulations and by-laws that may exist and that may be issued from time to time.

II IDES Students

For the avoidance of doubt an IDES student is one who is in the process of completing the full education and training programme to obtain the IDES professional qualification

1. In order to make an application to ICAEW an IDES student will be required to have completed the following:
   a) Successfully pass the IDES Independent Financial Audit and Accountancy modules against which ICAEW will award CPL for the Assurance Risk and Reporting and Corporate Reporting, Data and Assurance modules of the ACA
   e) b) Successfully pass the remaining ICAEW ACA exams namely:
   f) Sustainability and Ethics, Accounting Fundamentals, Business Insight and Performance, Tax Fundamentals, Assurance and Risk Fundamentals, Business Technology and Finance and Business Law at Certificate level; Fundamental case Study, Business Planning, Business and Digital Strategy, Tax Compliance and Planning and Corporate Financial Strategy at Professional Level; and, the Technical and Strategic Case Studies at Advanced Level.
   c) complete a period of Practical Work Experience, Professional Development and the Ethics Leaning programme.

2. An application including the following documents must be made to the ICAEW for review:
   a) application form

b) copy of the passport or other ID
c) document issued by ICAEW for successfully passed examinations

All documents produced by IDES must be certified in English in order for the application to be processed.

ICAEW Pathways to Membership

IDES members who have joined through recognition of their ACCA membership may also join ICAEW through the Pathways to Membership scheme.

To secure recognition through this route an IDES member mush:

- Be a fully qualified member of the ACCA, with at least five years of full membership
- Meet all ICAEW eligibility criteria, which can be checked using ICAEW's online eligibility tool
- Comply with continuing professional development (CPD) requirements of ACCA
- Have a sponsor who is a member in good standing of a full IFAC member body, familiar with the member's work, and compliant with CPD and disciplinary standards.

PART 3

10.0 Legal Scope

10.1 This Memorandum is not intended to create a legal relationship and its provisions are not intended to give rise to legal rights, obligations or liabilities.

10.2 Nothing in this Memorandum shall oblige a party to incur expense or to undertake any activity unless it agrees to do so. Any such memorandum will be recorded in writing separate to this Memorandum.

10.3 ICAEW and IDES agree not to make reference to one another and in particular not to use the other's name or logos in advertising or other form of publicity without prior written consent. However, ICAEW and IDES agree in advance that each may use the name or logo of the other in announcing this Memorandum.

11.0 Data Protection

11.1 Unless expressly set out in this Memorandum neither Party has any right to receive or process any personal data under this Memorandum

11.2 In the event that a Party gains access to any personal data, the receiving Party shall not review, use, process, disclose or otherwise handle the personal data and any such review, use, processing, disclosure or handling shall constitute a material breach of this Memorandum.

12.0 Duration and Termination

12.1 The term of this Memorandum will be five years from the date of signature. Thereafter it will be reviewed and may be renewed or extended by mutual memorandum of both parties.

12.2 ICAEW or IDES may terminate this Memorandum by giving a period of three months' notice in writing.

13.0 Reporting

13.1 ICAEW and IDES agree to provide each other with updates on material changes to their qualification/admission programmes, credit for prior learning/exemptions policy, CPD policy and any other material matters within 30 days of the changes being approved.

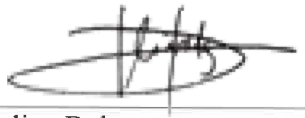
13.2 These changes may, depending upon their nature, result in a review or termination which, for the avoidance of doubt, may be initiated by either ICAEW or IDES, or mutually.

This Memorandum is made in English and Bulgarian in two copies, one copy for each Party, both copies being of equal legal power.

Signatories



Iliya Iliev
President
The Institute of Certified Public Accountants in Bulgaria



11/11/2026

Azlina Bulmer
Director of International
The Institute of Chartered Accountants in England and Wales