



**Asia-Pacific
Economic Cooperation**

Advancing Free Trade
for Asia-Pacific **Prosperity**

Mutual Recognition Agreements Toolkit

APEC Group on Services

October 2023



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Mutual Recognition Agreements Toolkit

A Practical Resource to Support Professional
Services Mutual Recognition in the APEC Region

October 2023

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Executive Summary

The *Mutual Recognition Agreements Toolkit* (the MRA Toolkit) is a practical resource to support professional services mutual recognition activities in the APEC region.

In support of the *APEC Services Competitiveness Roadmap*, Australia is leading projects to promote professional services mobility in APEC under project *GOS 01 2022S APEC Professional Services and Mutual Recognition Agreement (MRA) Project (Multi-Year)*. The development of this MRA Toolkit continues and builds upon recent work completed under this project, which includes:

- The development and publication of webinars and an online course on *Digital Credentialling and the Mutual Recognition of Professional Services*
- The development and publication of an *APEC Inventory of Mutual Recognition Agreements for Professional Qualifications*
- The establishment of an *APEC Professional Services and Mutual Recognition Community of Practice*

The MRA Toolkit is a resource that provides practical, non-prescriptive guidance to all actors involved in the development and implementation of MRAs. By placing guidance at their fingertips, the main aim is to support their work and accelerate the development and implementation of MRAs within the APEC region.

Recognising the complex nature of mutual recognition, it is important to emphasise the non-prescriptive character of the MRA Toolkit. It is not intended to strictly define how MRAs are to be developed and implemented. Rather, by providing guidance and examples, it seeks to make it easier for actors to begin or to continue the practical work on streamlining the recognition of qualifications and licensing processes through mutual recognition arrangements.

To that end, the MRA Toolkit is designed to be easy to navigate and use. As such, it is not presented as a piece of academic research, but it does provide links to academic and other similar sources that users can access to deepen their knowledge and understanding of particular topics.

The MRA Toolkit provides guidance around the following topics:

Understanding mutual recognition: key concepts and definitions

Approaching MRAs: common barriers and how to overcome them

Preparing for a MRA: Factors to consider in the home economy

Assessing equivalency of standards: key principles and best practices

Choosing an instrument: different kinds of agreement

Building a MRA: the common elements of a MRA

Negotiating a MRA: Process and pointers

Implementing and reviewing a MRA

Introduction

Why MRAs?

It is important to recall upfront why MRAs are important for advancing trade in services for the APEC region. Key reasons why MRAs are important to this agenda are:

- MRAs transparently balance the regulatory mission of professional bodies, which focuses upon maintaining professional standards in the public interest, with the goal of facilitating increased trade in professional services.
- In the best cases, MRAs can enhance the regulatory mission of professional bodies through the sharing and further development of standards, and international coordination around professional conduct.
- By liberalising the movement of professional services across borders through streamlining accreditation and licensing processes, MRAs are a critical enabler of trade generally. Once in place, they can also support the rapid deployment of professionals across borders during disasters or other temporary periods of high demand.
- Professional services unlock and underpin global trade value chains, and competitiveness improves when they are delivered efficiently as supported by MRAs.
- MRAs continue to play a critical role in ensuring the maintenance of standards and consumer protections as in-person and digital trade in professional services grows.
- MRAs support the implementation of other key areas of trade in services policy such as services domestic regulation disciplines and other structural reforms.

MRAs also create **value** for:

- *Professionals*, by **saving time and money** through streamlining qualification and licensing recognition processes.
- *Consumers*, by ensuring that **standards** are maintained when professional services move around the region.
- *Economies*, through the **ready availability of professional services** from across multiple jurisdictions, which facilitates all trade and investment, and underpins **economic growth**.

MRAs also promote **best practice** in accreditation and licensing frameworks, and **international collaboration** between professions, including the sharing of **innovations** and **solutions** to barriers and challenges.

The purpose of the MRA Toolkit

To further promote MRAs in the region, the MRA Toolkit is a resource that provides practical, non-prescriptive guidance to all actors involved in the development and implementation of MRAs. By placing guidance at their fingertips, the main aim is to support their work and accelerate the development and implementation of MRAs within the APEC region.

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Understanding mutual recognition: key concepts and definitions

Approaching MRAs: common barriers and how to overcome them

Preparing for a MRA: Factors to consider in the home economy

Assessing equivalency of standards: key principles and best practices

Choosing an instrument: different kinds of agreement

Building a MRA: the common elements of a MRA

Negotiating a MRA: Process and pointers

Implementing and reviewing a MRA

¹ See Attachment A for an example of a proposed online layout.

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Existing resources

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Links to the outcomes of this previous work can be found below under Additional resources.

Additional resources

Online course on *Digital Credentialling and the Mutual Recognition of Professional Services*

- <https://www.apec.org.au/mra-online-course>

APEC Inventory of Mutual Recognition Agreements for Professional Qualifications

- <https://aasc.knack.com/mra-inventory>

APEC Professional Services and Mutual Recognition Community of Practice

- <https://www.apec.org.au/mra-community-of-practice>

Understanding mutual recognition: key concepts and definitions

Guidance

Approaching the mutual recognition context

Approaching mutual recognition for a professional services sector involves a complex interaction between a broad mix of aims, influences and actors, both within and between economies. This broad mix results in an equally broad set of possible approaches to mutual recognition and the making of mutual recognition agreements. This means that mutual recognition happens within a complex context. We can, however, make sense of this complexity by making it easier to navigate, and this is a key aim of the online toolkit.

A brief overview of the main aims, influences and actors involved

The essential aim of mutual recognition is that competent authorities within different economies may recognise that professionals from one economy seeking a license to practise in another economy can adequately meet certain professional qualification and licensing laws and standards in that other economy. This in turn provides protection for consumers and the public, which is the primary mandate for regulators. Related aims are to enable the mobility of professionals across borders (including permanent and temporary migration), to increase cross-border trade in professional services, and to meet shortfalls in the supply of professionals in an economy.

These aims are enabled by MRAs made between relevant competent authorities in different economies, and these agreements specify the agreed requirements and conditions under which mutual recognition can occur. MRAs may be made between the competent authorities of two economies, between academic institutions, and / or between governments themselves. They may take the form of formal agreements, Memoranda of Understanding (MOUs), temporary arrangements, or guidelines. The degree of recognition conferred may be full, partial, automatic, or provisional upon certain conditions being met and maintained.

Major factors that influence what approach to use to achieve mutual recognition include:

- The domestic regulation of professions made in the public interest
- The licensing policies and practices of competent authorities
- The trade in services policies and commitments of an economy, recognition processes and practices, professional migration, and
- The supply of and market demand for the movement of professionals and professional services across borders to support international trade and investment.

These influences are always evolving, and it is important for approaches to mutual recognition to stay current with them.

The main actors involved in mutual recognition include domestic regulators, competent authorities (such as economy, international and sub-economy professional bodies), professionals, recognition authorities, academic institutions, and trade policy officials.

In subsequent sections, the MRA Toolkit breaks down this complexity of aims, influences, and actors by focusing on the main topics of practical importance to achieve mutual recognition.

Frequently used terms and concepts

There are some frequently used terms and concepts in the mutual recognition field. The following definitions are provided to assist with understanding these in the context of this resource.

Accreditation – the process of assessing and endorsing professional education, training, qualifications, development or experience as meeting the requirements for occupational licensing

Automatic recognition – recognition that is automatically granted based on the home qualifications of a professional who meets all the prerequisite standards and conditions specified in a mutual recognition agreement, without any additional accreditation or approval process being required

Bilateral MRA – a mutual recognition agreement between the competent authorities of two economies

Competent authority – an entity such as a professional institution, regulatory body, or governmental agency that has been authorised by a regulation or policy to recognise, qualify, license, or accredit a professional

Comprehensive MRA – a mutual recognition agreement between economies that covers all professional or regulated occupations

Credential – a record issued to indicate that someone has been successfully accredited

Domestic regulation – the laws of an economy that regulate a profession by specifying the requirements and conditions under which someone can practice a profession or deliver professional services

Full recognition – recognition that allocates a foreign professional the right to practise or deliver professional services with only minimal additional requirements to be met

Licensing – a shorthand term for occupational licensing

Licensure – see occupational licensing

Limited scope of practice – where an occupational licence is subject to specific restrictions, such as a limitation to a specific area of practice that is narrower than the normal scope of practice for the profession; the requirement to work under supervision; or the inability to approve projects

Multilateral MRA – a mutual recognition agreement between the competent authorities of more than two economies

Mutual recognition – the process through which the competent authorities or professional bodies of two or more economies recognise the qualifications, experience, licences, and / or credentials of each other's professionals

Mutual recognition agreement – an agreement that documents the process through which the competent authorities of two or more economies recognise the qualifications, experiences, licenses, and / or credentials of each other's professionals

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Occupation – a job, vocation, or livelihood that someone engages in

Occupational licensing – a form of government regulation requiring a license to practise an occupation within an economy

Partial recognition – recognition that provides credit for home-economy qualifications but requires additional testing, training, or supervised work experience for full recognition

Profession – any occupation that someone may practice only when they obtain and maintain the required qualifications, licensing, or credentials, providing for specific knowledge and skills which are often specified by domestic regulation or the policies of a competent authority and often includes post academic practical training as well as adherence to ethical standards

Professional – someone who has obtained and maintains the required qualifications, licensing or credentials that allows them to practise a profession

Professional body – an entity responsible for representing a profession and establishing and maintaining the practice and standards of a profession through regulation, policies, registration, licensing, accreditation, and the monitoring of professionals, or responsible for any combination of these

Professional services – any services provided under a profession

Provisional license – A licence that permits practice in an occupation on a temporary basis

Qualifications – the education, training, and vocational experience requirements that need to be met for someone to qualify to practise a profession

Recognition – the outcome of a recognition process through which a recognition authority recognises that a professional meets the recognition requirements specified by a mutual recognition agreement

Recognition process – the streamlined process specified by a mutual recognition agreement through which a professional can be recognised to practice

Regional MRA – a multilateral MRA comprising members from a particular region

Registration – the process of adding someone to a register of occupational licence-holders within an economy

Standards – the levels of education, training, vocational experience, and conduct that a professional must demonstrate and maintain to be able to practise

Temporary recognition – the process of granting a provisional licence or registration based on an assessment of foreign qualifications. This may include project specific licensing.

Approaching MRAs: common barriers and how to overcome them

Guidance

Alignment of interests

A necessary starting point for approaching MRAs is the alignment of interests in pursuing mutual recognition, within and between economies. Without a sufficient alignment of interests, mutual recognition will not be possible. Because of the complexity involved, alignment of interests can be a challenge to achieve.

Alignment of interests begins with understanding the various aims, influences, and actors surrounding a professional services sector, and working towards generating and harnessing a shared interest in achieving mutual recognition. The most effective way to do this is through establishing relationships between key stakeholders, within and between economies.

Differences between the domestic regulation of professions

Differences between the domestic regulation of professions are routinely encountered when approaching MRAs. The differences may be major or minor, but in every case if they are not somehow accounted for, the prospects of achieving effective mutual recognition are much reduced.

The main purpose of negotiating and establishing a MRA is to navigate through differences of domestic regulation. This usually begins with identifying both the similarities and differences in regulation, and where any differences are significant, agreeing how these can be overcome. Where differences apply to education, training, and qualification standards, best practice is to work towards agreement on substantial equivalency (see *Assessing equivalency of standards: key principles and best practices*). If necessary, supplementary assessments or required accreditations may be specified. Where differences apply to registration and licensing practices, improvements to these may be agreed.

Differences of disposition towards mutual recognition

There may be differences of disposition towards mutual recognition. For example, the professional sector of one economy may take a conservative approach towards mutual recognition, which limits the degree of recognition it is prepared to agree to. This may be a general disposition or could be specific to certain economies where it is more difficult to agree to substantial equivalency. Another difference of disposition may form around market access and protection concerns, bearing in mind that a key role of a professional body can be looking after the best interests of their members.

Differences of disposition can be overcome by developing a form of agreement that can allow for an initial degree of recognition that respects different dispositions while still allowing economies to work towards a greater degree of recognition over time.

Differences of legal tradition and governance structures

Differences can exist between the legal traditions of two economies. For example, one economy may operate under the common law tradition, and another under the civil law tradition. This can make it challenging to understand approaches to regulation, and the similarities and differences between these. It can also make it challenging to form an agreement that can be effectively implemented in both economies.

Differences can also exist between the governance structures of two economies. This is mostly encountered where in one economy professional services are centrally governed, while in another economy governance is decentralised because of federation. In federated economies, professions are often regulated at the sub-economy level, in states or regions. This can mean that within a single economy there can be as many competent authorities overseeing a profession as there are states. There can also be differences in approach to recognition between professional bodies at the sub-economy level.

There are examples of how these differences have been overcome in the process of developing mutual recognition agreements.² Agreements between economies from different legal traditions can be made through effective negotiation, that is, negotiation that understands, works with, and resolves similarities and differences between their respective legal approaches. The development of agreements between economies with different forms of governance are often led by economy bodies working within a federated economy to address sub-economy differences. The economy bodies of two economies can make an agreement while making allowance for sub-economy bodies to join or endorse the agreement over time. Though such approaches require more time for developing and implementing a MRA, they show how these differences are not at all insurmountable. A novel approach has been for economy bodies to require sub-economy bodies to opt-out of accepting the terms of an MRA. In some cases, this has led to the swifter adoption by sub-economy bodies than in the opt-in system.

The overarching importance of relationships and trust

Many of the common barriers encountered when approaching mutual recognition and the development of a MRA can be overcome through the development of trusted relationships between key stakeholders as a platform for close collaboration. Collaboration with key stakeholders in a professional services sector are important both within the domestic economy (including at the sub-economy level, where this is relevant), and with other economies.

In professions where mutual recognition has been successfully established, the key relationships and collaborations are between the competent authorities in each economy. This is how economies can most efficiently and effectively share and develop the knowledge and understanding of each other's approach to regulating the profession, and align aims, influences, and actors with the goal of mutual recognition. The earlier relationships and collaboration are established the better. Time is required to develop alignment, and work through technical barriers like differences between domestic regulation and how recognition can work with these.

² See, for example, the [Agreement on the Mutual Recognition of Qualifications and Degrees between the Republic of Chile and the United Kingdom of Great Britain and Northern Ireland](#), entered into force 2016.

Box 1: Key Principles for Developing MRAs

The following key principles for developing MRAs have been distilled from the practical experience of competent authorities which have successfully concluded MRAs. Working with these principles in mind will help to overcome common barriers:

- **Develop relationships and trust**, especially between the appropriate professional bodies / associations and competent authorities within participating economies
- With relationships and trust established, collaborate to **understand and define the mutual benefits of establishing an MRA**
- Having understood and defined mutual benefits, **collaborate to understand and explore the potential equivalence** of professional qualification, licencing and registration approaches
- Having explored the potential equivalence of qualification, licencing and registration approaches, **collaborate to develop an appropriate agreement framework**
- Once the agreement framework is developed, **resource and support the implementation** of the MRA

There are detailed guidance and examples of how to apply these principles throughout the MRA Toolkit.

The Washington Accord

An outstanding example of how a professional services sector can work through barriers to enable mutual recognition is *The Washington Accord*. The Washington Accord enables the mutual recognition of engineering degree programmes between economies with historically diverse domestic approaches to the regulation of engineers. A detailed overview of the history and operation of The Washington Accord is available at the link below, but in summary, the key features of this approach are:

- Economy and international professional bodies working closely together through well-established, long-term relationships that are sustained by standing fora and regular, formal meetings focussed upon progressing mutual recognition.
- Commitments to continue to share relevant information, allow their representatives to participate in each other's accreditation processes and attend relevant meetings of their organisations, and to reference to the Accord in publications listing accredited programmes.
- Acknowledging the two stages through which the development of a professional engineer occurs: education, and supervised training and experience.
- For the education stage, reviewing and accrediting substantially equivalent tertiary educational programmes that qualify graduates for entry into professional

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engineering, with signatories of the Accord recognising each other's graduates by granting the same recognition, rights and privileges as they grant to graduates of their own accredited programmes.

- Enabling mobility for graduates to gain supervised training, experience, and full membership of the profession in another economy.

The Accord currently covers 30 economies³ and over 7,000 accredited education programmes. A key factor in the success of the Accord has been to focus first on developing a set of clearly articulated graduate attributes, which underpin the competencies and standards a professional engineer must demonstrate and maintain. A tertiary programme becomes accredited when it is able to produce graduates that demonstrate the required attributes.

Additional Resources

[The Washington Accord: 25 Years - Celebrating international engineering education standards and recognition](#)

³ The current signatories are Australia; Canada; Hong Kong, China; Costa Rica; India; Indonesia; Ireland; Japan; Korea; Malaysia; Mexico; New Zealand; Pakistan; Peru; Russian Federation; Singapore; South Africa; Sri Lanka; Chinese Taipei; Turkey; United Kingdom; and the United States. Economies with provisional status are Chile; Bangladesh; Myanmar; Nigeria; the Philippines; Saudi Arabia; and Thailand.

Preparing for a MRA: Factors to consider in the home economy

Guidance

The domestic regulation and licensing of services

Economies regulate many services to establish and maintain competency and standards for domestic populations. To be able to provide a regulated service within an economy, individuals need to become qualified through recognised education and training. They may also need to adhere to specific ethical conduct and disciplinary requirements with direct responsibilities to the client, rather than through an employer. Then they often need to be licensed by and registered with a body charged with the responsibility of maintaining standards. Such services may be referred to as professional services. This definition includes what may be thought of as classic professions (such as accounting, medicine, engineering, law, and teaching) but can extend to any regulated or licenced service (such as trades and other technical disciplines).

The trade impacts of domestic regulation and licensing

Domestic approaches to the regulation and licensing of services have an impact on cross-border trade in services. A professional qualified and licensed by the regulatory system of their home economy is usually not automatically recognised by another economy. There is often a process of recognition that a professional would need to complete before being licensed to deliver services in this other economy (the receiving economy). These processes of recognition can be opaque, complicated, and slow. They often assume or require the physical presence of the foreign professional in the receiving economy because, historically, there has been a close association between the recognition of foreign professionals and migration. These kinds of impact are what trade officials call *behind the border barriers* to trade.

In particular, individuals, micro businesses, and SMEs often find the regulation and licensing systems and processes of a receiving economy hard and costly to navigate, which limits their access to new markets. Larger firms with ample resources are much better placed to take advantage and tend to dominate new and emerging trade in services opportunities. This dynamic can frustrate broader domestic and regional trade policy goals, such as greater economic inclusivity.⁴

⁴ In response, 70 economies have committed to participating in the World Trade Organization (WTO) [Joint Initiative on Services Domestic Regulation](#) (JISDR), which is aimed at increasing the transparency, predictability and efficiency of authorisation procedures for service providers hoping to do business in foreign markets.

The rapid rise of digital delivery

How services move across borders is changing. There is an accelerating shift towards the digital delivery of many services, including professional services. Markets increasingly expect to be able to quickly access the services they need from anywhere in the world using digital platforms. Digital delivery also influences price competition. Some services may be accessed more affordably via digital means, which drives demand for access to these services. Further, the physical movement of professionals across borders still occurs but may become increasingly focused upon temporary or task-specific access (as compared to permanent migration). For example, firms may wish to send their own teams of professionals to another economy to support projects or manage transactions, but more often put together teams of professionals from several economies – multijurisdictional teams – to deliver projects.

MRAs can lower barriers to trade while maintaining standards

To help to lower barriers to trade, mutual recognition agreements are used. MRAs are agreed between professional accreditation and licensing bodies across economies that want to enable the easier movement of professional services across their borders. MRAs may be sector-specific, or they may provide general coverage across a range of sectors. They focus on specifying agreed standards and more efficient processes to enable faster recognition. When an individual meets these standards and processes, they can be automatically or more quickly recognised and licensed in the receiving economy.

When preparing for the establishment of a MRA, there are several important factors to consider when regulating and licensing these services in the home economy. These are:

- Domestic regulation and licensing requirements should be **fit for the dual purposes of maintaining domestic standards and supporting cross-border trade**. *A practical step an economy or professional services sector can take is to undertake a review of their regulation and licensing approaches to test their fitness for these purposes, given emerging trends, policies and trade commitments.*
- Domestic regulation and licensing requirements and systems should be **transparent, easy to access, practical and efficient**. This benefits both domestic and foreign professionals but is particularly important for foreign professionals seeking recognition by a receiving economy. *A practical step an economy or professional services sector can take is to use the online environment and digital platforms to share clearly articulated information about regulation and licensing requirements and the application process.*
- Domestic regulation and licensing systems should be **'digital ready'**. This should include ensuring that the collection, management and sharing of data about professionals meets international data privacy standards. It could also include enabling the creation and use of trusted digital credentials that can help to fast-track recognition as well as maintain standards. *A practical step that an economy or professional services sector can take is to learn about data standards and digital credentialling to consider these as they digitalise their regulation and licensing systems.*

Example

The JISDR is a WTO initiative that aims to address barriers to trade in services, with a particular focus on domestic measures relating to licensing requirements and procedures, qualification requirements and procedures, and technical standards affecting trade in services.

The JISDR requires that signatory economies⁵ commit to apply a set of disciplines that are aimed at removing or reducing barriers to trade in services. Briefly stated, the disciplines are:

<p>Transparency</p> <ul style="list-style-type: none"> • Publish and make available information required to comply with requirements and procedures for authorization, including through electronic means • Establish appropriate mechanisms for responding to enquiries from service suppliers • Engage stakeholders by publishing proposed laws and regulations, providing opportunity for comments from interested persons, and considering comments received
<p>Legal certainty and predictability</p> <ul style="list-style-type: none"> • Establish indicative timeframes for processing applications • Process applications in a timely manner • Provide information on the status of applications • Allow applicants to correct minor deficiencies in incomplete applications and identify additional information required • Inform applicants of reasons for rejection of applications and allow resubmission • Allow authorization once granted to enter into effect without undue delay • Allow reasonable time between publication of laws and regulations and date of required compliance by service suppliers • Hold examinations at reasonably frequent intervals
<p>Regulatory quality and facilitation</p> <ul style="list-style-type: none"> • Require applicants to approach only one competent authority to obtain authorisation • Permit submission of applications at any time throughout the year, or at least, allow reasonable periods of time for submission • Accept electronic applications and authenticated copies of documents • Ensure that authorisation fees are reasonable, transparent, and do not in themselves restrict the supply of service • Support professional bodies wishing to establish dialogues on issues relating to recognition of professional qualifications • Ensure that competent authorities reach their decisions in a manner independent from services suppliers • Consolidate relevant information on a single online dedicated portal • Develop technical standards through open and transparent processes • Base measures relating to authorisation on objective and transparent criteria

⁵ There are currently 70 economies participating in the JISDR, including 16 from the APEC region (Australia; Canada; Chile; China; Hong Kong, China; Japan; Republic of Korea; Mexico; New Zealand; Peru; the Philippines; Russian Federation; Singapore; Thailand; Chinese Taipei; and the United States).

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- Ensure that procedures are impartial, adequate and do not unjustifiably prevent fulfilment of authorisation requirements
- Ensure that authorisation measures do not discriminate between men and women

The disciplines provide a set of practical steps that can be taken within a domestic economy to address barriers to trade in professional services. Whether or not a domestic economy is a signatory to the JISDR, any competent authority that regulates a professional service could use these disciplines as a guide on factors to consider within a home economy when approaching mutual recognition. The links below provide further detail about the JISDR and how they are intended to work.

Additional resources

[The Joint Initiative on Services Domestic Regulation briefing document, OECD / WTO, 26 November 2021](#)

[The Joint Initiative on Services Domestic Regulation fact sheet, WTO, July 2022](#)

Assessing equivalency of standards: key principles and best practices

Guidance

Understanding the concept of substantial equivalence

At the heart of mutual recognition is the challenge of efficiently and effectively comparing and recognising the qualifications and experience gained by professionals in different economies and jurisdictions. Overcoming this challenge is the fundamental utility of a MRA, and much of the focus of negotiation is on agreeing to acceptable standards of qualification, experience and licensing.

Each economy has its own approach to domestic regulation and licensing, which may specify in some detail the educational requirements, experience and other standards that an individual needs to meet and maintain to obtain and hold a license to deliver a regulated service. Because approaches taken by individual economies will rarely, if ever, be identical, the concept of using *substantial equivalence* to agree to standards is a central feature of MRA practice.

Clearly articulating standards against which substantial equivalence can be assessed

In essence, using substantial equivalence involves the assessment of clearly articulated and agreed upon standards that an individual needs to meet to satisfy regulators in the receiving economy that they are sufficiently competent, and able to be recognised and, if required, licensed to provide services. To define these standards, parties will work to understand each other's systems of professional education, academic qualification, specialisation and any other requirements for professional practice. The standards in both economies are then compared. It may be that there is enough similarity between domestic standards that recognition does not require anything more than accepting each other's licensed and registered professionals. Or there may be important differences between domestic standards that require supplementary assessment of individuals before they can be recognised.

Accepting a recognised international standard that all parties recognise domestically can be a most effective way of articulating and agreeing to standards. For example, in accounting services, the Certified Public Accountant (CPA) credential is a well-known and accepted standard that can be used both domestically and internationally. The example below provides more detail about how this approach makes mutual recognition more efficient.

Focusing on competency, using supplementary assessments of professionals

Where supplementary assessments are required to recognise substantial equivalency, these assessments should be based upon standards against which an applicant could demonstrate competency, as opposed to requiring re-qualification or further qualification through intensive additional study. This is important because it is competency that is most connected to standards. If a professional claims to be sufficiently competent to meet the standards of the receiving economy and can readily demonstrate this, recognition should follow. If intensive additional study is first required, this demands a much larger amount of time, commitment, and resources, and this is not conducive to efficient mutual recognition. It is better to allow someone who is not yet able to demonstrate competence to develop further

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via whatever means best suits their circumstances. This could mean further intensive study, but it might also mean gaining further practical experience or completing focused professional development activities. The key point is to keep supplementary requirements reasonable and to enable individuals to further develop competency via means that best meet their individual needs.

Running efficient processes for assessing substantial equivalence

Related to the above point, agreed processes for establishing substantial equivalence should be efficient, both in terms of time and cost. Inefficient processes are a barrier to the uptake and use of MRAs as a vehicle for increasing cross-border trade in services. MRAs should clearly specify the conditions that need to be satisfied to meet substantial equivalence, but also outline the assessment process. This could include how applications can be made, acceptable forms of evidence, how these can be provided for assessment, and any costs involved. The process of validating qualifications and experience should also be specified and kept efficient.

The use of digital platforms to support assessment processing is strongly advised. For example, the adoption and use of recognised and trusted digital credentials can make the task of validating qualifications and experience vastly more efficient. Further details can be found in a subsequent main section *Implementing a MRA*.

Examples

One approach that can fast track the assessment of substantial equivalence is to look for and use an internationally recognised professional standard or credential.

The National Association of State Boards of Accountancy (NASBA) in the United States has used the Certified Public Accountant (CPA) credential as a starting point for recognition.

The CPA is a credential that accountants can obtain in many domestic economies, and the standards and processes required for gaining the qualification are consistent internationally.

Recognising this, NASBA works in partnership with the American Institute of Certified Public Accountants to identify other economies where the CPA credential is in use as a starting point for approaching mutual recognition.

The fast tracking of assessing substantial equivalency happens through accepting that any accountant that holds the CPA credential is *prima facie* a candidate for recognition, so the CPA credential becomes the basis for recognition. Other prerequisites for recognition may still be specified, such as good professional standing, but these are often mainly procedural.

Additional Resources

[NASBA's approach to substantial equivalence between states within the United States](#)

Choosing an instrument: different kinds of agreement

Guidance

Typically, a mutual recognition agreement is enabled via three different kinds of instrument.

Bilateral MRAs

The most common instrument used is the **bilateral MRA**. A bilateral MRA is a non-treaty agreement made between two economies and may cover one or more professional service sector. When a bilateral MRA is made for one professional service sector, the negotiation of the MRA is often led by the relevant competent authorities in each economy, that is, those that regulate the sector the MRA addresses. When a bilateral MRA is made for more than one professional service sector, negotiations may be led by trade officials who work with domestic professional bodies to bring sectors into the agreement. Once a bilateral MRA is established, implementation happens at the domestic level via the relevant professional bodies and/or other competent authorities that may be subject to the agreement.

Multilateral MRAs

Another common instrument that may be used is the **multilateral MRA**. A multilateral MRA is a non-treaty agreement made between a group of economies. This group may or may not be focused upon a region. If a multilateral MRA addresses just one professional services sector, agreement making is usually led by the competent authorities that regulate that sector within the domestic economy and may also involve any regional/international professional associations that exist. If a multilateral MRA addresses more than one sector, negotiations may be led by trade officials working with the relevant professional bodies in the economies and regions. Again, once a multilateral MRA is established, implementation happens at the domestic level via the relevant professional bodies and/or other competent authorities that may be subject to the agreement.

Memorandum of Understanding

The **Memorandum of Understanding (MoU)** is a less common but notable form of agreement used to support mutual recognition. The creation of an MoU may be a preliminary step towards the development of a mutual recognition agreement, or it may act as a *de facto* mutual recognition agreement. An MoU will often detail the broad scope of and approach to mutual recognition, and in some cases may also provide detail about how signatories will operationalise and implement the agreement. When an MoU does provide sufficient detail to support implementation, it may be all that is required to enable effective mutual recognition.

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Each kind of agreement has advantages and disadvantages, as summarised in the following table:

Instrument	Advantages	Disadvantages
<i>Bilateral MRA</i>	<p>Professional body and regulatory counterparts in each economy collaborate closely around recognition requirements, which provides for strong mutuality and supports implementation.</p> <p>Addressing the domestic regulatory requirements of just two economies and often just one sector can enable more efficient agreement making.</p>	<p>Bilateral agreement making between pairs of economies, focused on one sector at a time, can be a slow road to fostering mutual recognition across a region.</p> <p>Bilateral agreement making by sector is resource intensive, and some economies and their professional bodies or competent authorities do not have sufficient resources to work this way.</p>
<i>Multilateral MRA</i>	<p>Once established, a multilateral MRA should, in principle, enable a much larger scope for trade in services covered by the agreement – this can be a much faster road to fostering mutual recognition across a region.</p> <p>Individual economies participating in a multilateral MRA process gain efficiencies through ‘one to many’ agreements – there is not a need to repeat agreement making with individual economies.</p>	<p>Multilateral agreement making requires dealing with the complexity of addressing recognition requirements across multiple economies at the same time – domestic level differences of approach to regulation and licensing can take a lot more time to resolve.</p> <p>Because of the degree of complexity, multilateral agreement making can also be resource intensive for all economies involved.</p> <p>Implementation still happens economy by economy – some participating economies may be slow to set up mutual recognition processes.</p>
<i>MoU</i>	<p>An MoU is often less formalistic and easier to establish, particularly when being used as a preliminary step towards establishing a MRA.</p> <p>An MoU can be used effectively to support interim arrangements while a MRA is being developed.</p> <p>When there is sufficient detail to support implementation, an MoU can be characterised as a <i>de facto</i> MRA.</p>	<p>An MoU may be considered to be of lesser status compared to an MRA, and as a result does not drive a significant degree of mutual recognition in practice.</p> <p>Interim arrangements supported by a MoU may not be adequate to enable any effective mutual recognition in practice because of a lack of further agreement on details that would usually be addressed via a MRA.</p> <p>Characterisation as a <i>de facto</i> MRA may be inappropriate where this was not the original intention of signatories.</p>

Which instrument to use?

Choosing the most appropriate instrument to use can be assisted by exploring the following considerations:

- Where is the main impetus for a mutual recognition agreement coming from – the sector, the domestic economy or the region?
- Which actors are driving the mutual recognition process?

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- Where is the relationship and collaboration between economies and/or the relevant professions and associated bodies strongest – at the bilateral, or multilateral / regional level?
- What level of resourcing is available for developing and implementing a mutual recognition agreement?

Trade agreements and mutual recognition

Finally, it is important to note that free trade agreements may include provisions that encourage mutual recognition. This encouragement is usually in the form of requiring economies to make a best endeavours commitment to promote mutual recognition generally or for identified sectors. Crucially, trade agreements in and of themselves do not confer recognition. The development of sector specific MRAs by competent authorities is still necessary.

The main benefit of a trade agreement that encourages mutual recognition is the imprimatur and platform it provides for further work towards realising mutual recognition. It also makes an explicit connection between mutual recognition and broader trade goals, which can support domestic implementation. To this end, a trade agreement may include provisions on the possible scope or nature of recognition, and this may be supported by the inclusion of further guidance in the agreement. It is important to note that trade agreements also encourage competent authorities to take account of existing multilateral or plurilateral recognition agreements.

For example, guidelines may be added as a schedule or annex to a trade agreement that encourages the mutual recognition of professional services. Guidelines are used as a soft instrument to inform and support the negotiation, development, and implementation of MRAs. There are already several examples of guidelines that have been developed and are being used by economies in this way.

When approaching the development of an MRA, therefore, it is useful to consider:

- Is a negotiation for a bilateral or regional trade agreement imminent or in process, and if so, is mutual recognition within the scope of negotiations, and is there any emerging guidance that could assist the development of a MRA?
- Is there an existing bilateral or regional trade agreement that has mutual recognition in scope, and if so, what sectors are named or included in the agreement and what, if any, guidance is given to assist the development of a MRA?

Examples

The following list of example instruments is presented so that the different types of instruments can be recognised, compared and contrasted.

A MoU

- The [*Memorandum of Understanding Between Australian Institute of Building and Hong Kong Institute of Construction Managers*](#)

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A sector specific bilateral MRA

- The [*APEC Architect: Bilateral Agreement on Reciprocal Recognition Registered/Licensed Architects in Japan and Australia*](#)

A comprehensive bilateral MRA

- The [*Trans-Tasman Mutual Recognition Arrangement*](#) between New Zealand and Australia

A sector specific multilateral MRA

- [*The APEC Engineer framework*](#) for the mutual recognition of engineers in the APEC region

A comprehensive multilateral MRA

- [*ASEAN mutual recognition arrangements*](#) between member states

A trade agreement that encourages mutual recognition

- The [*Comprehensive and Progressive Agreement for Trans-Pacific Partnership*](#) between signatory states

Guidelines provided in support of a trade agreement that encourages mutual recognition

- [*Guidelines*](#) adopted pursuant to Article 27.3.1 and Annex 10-A (Professional Services) of the *Comprehensive and Progressive Agreement for Trans-Pacific Partnership*

Building a MRA: the common elements

Guidance

This guidance addresses the common elements of bilateral and multilateral MRAs, as these are the most common forms of instrument. Even though they address a diverse range of professions, MRAs have a similar structure with many common elements. The actual elements that end up in an agreement can depend upon the scope of the agreement and the specific recognition requirements it addresses. It is possible, however, to set out a non-prescriptive template that can be used to assist both the negotiation and development of an agreement.

Building upon guidelines that have been adopted pursuant to Article 27.3.1 and Annex 10-A (Professional Services) of *the Comprehensive and Progressive Agreement for Trans-Pacific Partnership* (CPTPP)⁶, this section sets out an overview structure of a MRA and an element-by-element breakdown of a MRA to provide:

- Commentary on the purpose and content of each element, and
- A non-prescriptive example text selected from current MRAs

Overview structure

In overview, a comprehensively developed MRA will usually include the following parts:

- A Preamble / Introductory Note
- Participants
- The Purpose of the MRA
- The Scope of the MRA
- MRA Provisions
- Eligibility for Recognition – Qualifications
- Eligibility for Recognition – Registration
- Mechanisms for Implementation
- Licensing and Other Provisions in the Host Economy
- Revision of the MRA

As mentioned, the scope of a MRA will determine whether all the above parts are included. For example, a MRA may focus only upon the recognition of qualifications, as recognising these may not require any further steps such as registration or licensing. It is exclusively for the parties negotiating a MRA to decide the scope, structure and contents of a MRA. Nonetheless, this structure and the following commentary and examples can be used as a good practice reference point for developing the common elements of a MRA.

Examples

The following examples and commentary are provided to facilitate the negotiation of MRAs. The responsibility for, and decisions on, the extent of the form and content of a MRA resides

⁶ <https://www.dfat.gov.au/trade/for-australian-business/professional-services-mutual-recognition-unit/guidelines-mutual-recognition-agreements-or-arrangements-professional-services>

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directly with the entities which are negotiating. The following examples and commentary are provided as indicative, non-exhaustive guidance only.

Preamble / Introductory Note

Commentary	Example Text
<p>This element sets out the introductory context for the framing of the MRA, such as:</p> <ul style="list-style-type: none"> - objectives - understandings - key principles of recognition - acknowledgements <p>This context is usually determined and agreed during negotiations. By framing the MRA with this context, the interpretation of the agreement is made clearer.</p>	<p>Here is an example of an agreement with a comprehensive preamble. Excerpt from the <i>Trans-Tasman Mutual Recognition Arrangement (Arrangement between the Australian Parties and New Zealand Relating to Trans-Tasman Mutual Recognition)</i> (entered into force 1997)</p> <p>OBJECTIVES</p> <p>B. The objective of the Arrangement is to remove regulatory barriers to the movement of Goods and service providers between Australia and New Zealand, and to thereby facilitate trade between the two countries. This is intended to enhance the international competitiveness of Australian and New Zealand enterprises, increase the level of transparency in trading arrangements, encourage innovation and reduce compliance costs for business.</p> <p>UNDERSTANDINGS</p> <p>C. This Arrangement records the understandings reached by the Parties. These understandings are confined to matters within the Jurisdiction of each Party.</p> <p>D. In entering into this Arrangement, the Parties recognise the mutually beneficial economic and trade framework which has developed under the 1983 Australia-New Zealand Closer Economic Relations Trade Agreement and believe that trans-Tasman mutual recognition is a logical extension of this relationship. In particular, the Parties believe that a Trans-Tasman Mutual Recognition Arrangement will enhance the international competitiveness of Australian and New Zealand enterprises.</p> <p>E. It is also intended that this Arrangement will contribute to the development of the Asia Pacific region by providing a possible model of cooperation with other economies, including those in the South Pacific and APEC.</p> <p>F. The Parties recognise that this Arrangement builds on, and is a natural extension of, the 1992 Mutual Recognition Agreement between the Commonwealth, States and Territories of Australia. It is intended that, as far as possible, the mutual recognition scheme established by this-Arrangement should be consistent with the scheme established by the Mutual Recognition Agreement.</p> <p>G. Subject to the provisions of this Arrangement, two basic principles relating to Goods and Occupations respectively, underpin the Arrangement.</p> <p>1. Goods</p> <p>The basic principle in respect of Goods is that a Good that may legally be sold in the Jurisdiction of any Australian Party may be sold in New Zealand, and a Good that may legally be sold in New Zealand may be sold in the Jurisdiction of any Australian Party.</p> <p>2. Occupations</p> <p>The basic principle in respect of Occupations is that a person Registered to practise an Occupation in the Jurisdiction of any Australian Party is entitled to practise an Equivalent occupation in New Zealand, and a person Registered to practise an Occupation in New Zealand is entitled to practise an Equivalent occupation in the jurisdiction of any Australian Party.</p> <p>Consistent with the principles in paragraph G, it is the intention of the Parties to minimise exemptions and exclusions to the Arrangement.</p> <p>The Parties acknowledge that:</p> <ol style="list-style-type: none"> 1. subject to certain exemptions for the protection of public health and safety and the environment, the Arrangement is intended only to take precedence over such Laws of Participating Parties in respect of Goods as would effectively prevent or restrict the sale in the Jurisdiction of that Party of a Good that can legally be sold in the Jurisdiction of another Participating Party; 2. the scheme does not seek to affect regulation by the Parties of initial requirements for the registration of Occupations, such as requirements relating to qualifications, conduct or the practise of Occupations.

The Participants

Commentary	Example Text
<p>This element is used to identify:</p> <ul style="list-style-type: none"> - the parties to the MRA (for example, governments, economy professional organisations, or institutes) - competent authorities or organisations other than the parties to the MRA, if any, and their position in relation to the MRA - the status and area of competence of each party to the MRA <p>By clearly identifying the participants, this element clarifies which jurisdictions and entities the MRA applies to, and helps to determine roles and responsibilities for developing and implementing the MRA.</p>	<p>Here is an example where the participants are specifically named. Excerpt from the <i>Mutual Recognition of Registered/Licensed Engineers by the Jurisdictions of Australia and Canada to Facilitate Mobility</i> (entered into force 2013)</p> <p style="text-align: center;">PARTICIPANTS</p> <p>The Institution of Engineers, Australia (Engineers Australia) is a national organisation that has the sole power to grant the title Chartered Professional Engineer and maintains the National Professional Engineers Register in Australia.</p> <p>The Canadian Council of Professional Engineers (Engineers Canada) is the national organization of the provincial and territorial Associations/Ordre that regulate the profession of engineering in Canada. The individual Associations/Ordre are autonomous and are responsible for registration/licensure of engineers in their province/territory. Engineers Canada has no authority, implied or otherwise, over the Associations/Ordre. Each province/territory legislatively requires that engineers obtain registration/licensure where they intend to perform services.</p> <p>Here is an example where the participants are defined more generally. Excerpt from the <i>Mutual Recognition Arrangement between Australia (AACAA), New Zealand (NZRAB) and the United States (NCARB)</i> (entered into force 2016)</p> <p>1. PARTIES TO THE ARRANGEMENT</p> <p>Any NCARB Member Board and any Australian State or Territory Board may become a party to the provisions of this Arrangement by submitting a signed <i>Letter of Undertaking</i> to the responsible negotiating representative. The <i>Letter of Undertaking</i> is incorporated herewith and includes the binding requirements for the implementation of this Arrangement by each individual signatory jurisdiction. The <i>Letters of Undertaking</i> shall be distributed, collected, and maintained by NCARB, AACAA, and NZRAB respectively. NCARB and AACAA each shall promptly notify the others in writing of all individual signatories. Each NCARB Member Board and each Australian State or Territory Board that executes a <i>Letter of Undertaking</i>, and which has not withdrawn from this Arrangement, as well as NCARB, AACAA, and NZRAB once they sign this Arrangement below, shall be known as a “Party to this Arrangement.”</p>

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Purpose of the MRA

Commentary	Example Text
<p>This element is used to name and define the purpose of the MRA.</p> <p>The purpose may be broadly stated, or it may be extended to include further detail about the scope of the agreement.</p>	<p>Here is an example of an agreement where the purpose was broadly stated. Excerpt from the <i>Trans-Tasman Mutual Recognition Arrangement (Arrangement between the Australian Parties and New Zealand Relating to Trans-Tasman Mutual Recognition)</i> (entered into force 1997)</p> <p style="text-align: center;">PURPOSE</p> <p>A. The purpose of the Arrangement is to give effect to a scheme implementing mutual recognition principles between the Parties relating to the sale of Goods and the Registration of Occupations, consistent with the protection of public health and safety and the environment.</p> <p>Here is an example of an agreement where the purpose of the agreement is clearly defined and extended to include further detail of the scope of the agreement. Excerpt from the <i>Mutual Recognition of Registered/Licensed Engineers by the Jurisdictions of Australia and Canada to Facilitate Mobility</i> (entered into force 2013)</p> <p style="text-align: center;">PURPOSE AND SCOPE</p> <p>This Agreement is intended to permit the mutual recognition of Registered/Licensed Engineers from a Home Jurisdiction in the Host Jurisdiction.</p> <p>This Agreement covers Registered/Licensed Engineers (see 3 Definitions). It is intended that there be no discrimination based on place of origin or place of education.</p> <p>This Agreement is intended for permanent or temporary Registration/Licensure, depending on the needs of the individual applicant and any legislative limitations in each Jurisdiction.</p> <p>Provisions under this Agreement apply to members of a Reciprocating Jurisdiction or members of Engineers Australia. Nothing in this Agreement shall apply to individual practice or malpractice disputes.</p>

The Scope of the MRA

Commentary	Example Text
<p>This element may include matters such as:</p> <ul style="list-style-type: none"> - the scope of the MRA in terms of the eligibility of specific professions or titles and professional activities it covers in the territories of the parties - who is entitled to use the professional titles concerned - whether the recognition mechanism is based on qualifications, on the license obtained in the economy of origin, or on some other requirement - the degree of recognition to be conferred: full, partial, autonomous, or temporary (refer to the Key Terms and Concepts section). 	<p>Here is an example of a clear and specific definition of the scope. Excerpt from the <i>Mutual Recognition Agreement between Australian Association of Social Workers and New Zealand Social Workers Registration Board</i> (entered into force 2014):</p> <p>The Mutual Recognition Agreement (the MRA) will only apply to:</p> <ul style="list-style-type: none"> • Social workers who have completed an AASW accredited social work qualification; OR • Social workers who have completed a recognised New Zealand social work qualification, are currently fully registered with the NZSWRB and are eligible to hold a Practising Certificate (PC). <p>The Mutual Recognition Agreement will not apply to:</p> <ul style="list-style-type: none"> • Social workers who are registered in New Zealand but did not qualify in New Zealand; • Social workers who qualified in New Zealand but are not registered with the NZSWRB; • Social workers who are registered in New Zealand under Section 13 of the <i>Social Workers Registration Act 2003</i>; or • Social workers with any restriction or condition regarding their practice in their country of registration/credentialing.

MRA Conditions / Provisions

Commentary	Example Text
<p>This element should clearly specify the conditions to be met for recognition in the territories of each Party and the level of equivalence agreed between the parties to the MRA.</p> <p>The precise terms of the MRA depend on the basis on which the MRA is founded, as discussed above. If the requirements of the various sub-economy jurisdictions of a party to a MRA are not identical, the difference should be clearly presented. The MRA should address the applicability of the recognition granted by one sub-economy jurisdiction in the other sub-economy jurisdictions of the party to the MRA.</p> <p>As best practice for facilitating trade, the Parties must ensure that recognition does not require citizenship or any form of residency, or education, experience, or training in the territory of the host jurisdiction.</p>	<p>Here is an example of clearly stated conditions. Excerpt from the <i>Mutual Recognition Arrangement between Australia (ACA), New Zealand (NZRB) and the United States (NCARB)</i> (entered into force 2016):</p> <p>3. CONDITIONS</p> <p>A U.S. Architect to ACA Jurisdiction Upon application, those Australian State and Territory Boards who become a Party to this Arrangement agree to license/register as an architect in their respective jurisdiction any U.S. architect who:</p> <ol style="list-style-type: none"> 1. meets the eligibility requirements listed in Section 2 of this Arrangement, <i>and</i> 2. holds a current <i>NCARB Certificate</i>, <i>and</i> 3. has been issued an <i>ACA Statement</i>, <i>and</i> 4. is currently licensed/registered in good standing by one or more NCARB Member Board(s) that is a Party to this Arrangement. <p>B U.S. Architect to NZRB Upon application, the NZRB agrees to register as an architect in New Zealand any U.S. architect who:</p> <ol style="list-style-type: none"> 1. meets the eligibility requirements listed in Section 2 of this Arrangement, <i>and</i> 2. holds a current <i>NCARB Certificate</i>, <i>and</i> 3. is currently licensed/registered in good standing by one or more NCARB Member Board(s) that is a Party to this Arrangement. <p>C Australian Architect to NCARB Jurisdiction Upon application, NCARB shall issue an <i>NCARB Certificate</i> to any Australian Registered Architect licensed/registered in one or more ACA jurisdiction(s) meeting the eligibility requirements listed above.</p> <p>Upon application, those NCARB Member Boards who become a Party to this Arrangement agree to license/register as an architect in their respective jurisdiction any Australian Registered Architect who:</p> <ol style="list-style-type: none"> 1. meets the eligibility requirements listed in Section 2 of this Arrangement, <i>and</i> 2. holds a current <i>ACA Statement</i>, <i>and</i> 3. has been issued an <i>NCARB Certificate</i>, <i>and</i> 4. is currently licensed/registered in good standing by one or more Australian State and Territory Board(s) that is a Party to this Arrangement. <p>D New Zealand Architect to NCARB Jurisdiction Upon application, NCARB shall issue an <i>NCARB Certificate</i> to any New Zealand Registered Architect licensed/registered by the NZRB meeting the eligibility requirements listed above.</p> <p>Upon application, those NCARB Member Boards who become a Party to this Arrangement agree to license/register as an architect in their respective jurisdictions any New Zealand Registered Architect who:</p> <ol style="list-style-type: none"> 1. meets the eligibility requirements listed in Section 2 of this Arrangement, <i>and</i> 2. holds a current <i>NCARB Certificate</i>, <i>and</i> 3. is currently licensed/registered in good standing by the NZRB.

Eligibility for recognition – qualifications

Commentary	Example Text
<p>This element is used where the MRA is based on the recognition of qualifications. If this is the case, the following matters may be addressed:</p> <ul style="list-style-type: none"> - the minimum level of education required (including entry requirements, length of study, and subjects studied) - the minimum level of experience required (including location, length, and conditions of practical training or supervised professional practice prior to licensing, and maintenance of professional, ethical and disciplinary standards) - examinations passed, especially examinations of professional competence - the extent to which home economy qualifications are recognised in the host economy - the qualifications which the parties to the MRA are prepared to recognise, for example, by listing particular diplomas or certificates issued by certain institutions, or by reference to particular minimum requirements to be certified by the authorities of the economy of origin, including whether the possession of a certain level of qualification would allow recognition for some activities but not others. <p>The main body of the agreement may overview the eligibility for recognition requirements, with further detail provided in a schedule/annex/appendix.</p>	<p>Here is an example of comprehensive statement of eligibility for the recognition of qualifications/credentials. Excerpt from the <i>Mutual Recognition Agreement Recommended by Comité Mexicano para la Práctica Internacional de la Contaduría and Instituto Mexicano de Contadores Públicos, A.C. and CPA Canada and US International Qualifications Appraisal Board</i> (entered into force 2017):</p> <p><u>Basis of Recognition</u></p> <p>As a result of these reviews, the Parties are satisfied that the US CPA credential, Mexican CPC credential, and Canadian CPA credential are substantially equivalent subject to the conditions set forth in this document and accompanying appendices.</p> <p>Therefore, each Party agrees:</p> <ol style="list-style-type: none"> 1. To create an abbreviated qualification pathway for eligible holders of the others' credential. <ol style="list-style-type: none"> a. A holder of a Mexican CPC credential or Canadian CPA credential will be eligible to obtain the US CPA credential via this agreement if that holder meets the eligibility requirements set out for her/his credential in Appendix 1A. b. A holder of a US CPA credential or Canadian CPA credential will be eligible to obtain the Mexican CPC credential via this agreement if that holder meets the eligibility requirements set out for her/his credential in Appendix 1B. c. A holder of a US CPA credential or Mexican CPC credential will be eligible to obtain the Canadian CPA credential via this agreement if that holder meets the eligibility requirements set out for her/his credential in Appendix 1C. 2. That an eligible holder, as set out in 1 above, may obtain one of the other credentials via the following abbreviated pathways. <ol style="list-style-type: none"> a. The abbreviated pathway to the US CPA credential for eligible holders of a Mexican CPC credential or Canadian CPA credential is set out in Appendix 2A. b. The abbreviated pathway to the Mexican CPC credential for eligible holders of a US CPA credential or Canadian CPA credential is set out in Appendix 2B. c. The abbreviated pathway to the Canadian CPA credential for eligible holders of a US CPA credential or Mexican CPC credential is set out in Appendix 2C. 3. To assist holders of another Party's credential, who are both eligible for an abbreviated pathway, as set out in 1 above, and who successfully complete the abbreviated pathway, as set out in 2 above, to obtain licensure in their respective jurisdiction. <ol style="list-style-type: none"> a. Appendix 3A sets out the process that a Mexican CPC credential or Canadian CPA credential holder should follow to obtain licensure in the United States. b. Appendix 3B sets out the process that a US CPA credential or Canadian CPA credential holder should follow to obtain licensure in Mexico and the assistance that the IMCP will provide to that individual. c. Appendix 3C sets out the process that a US CPA credential or Mexican CPC credential holder should follow to obtain access to audit and to other services requiring provincial registration or licensure, in Canada and the assistance that the CPA Provincial Bodies will provide to that individual. 4. That this agreement shall be in force for a period of five years from the date of consummation. The agreement may be renewed or extended through mutual agreement. 5. To inform the other Parties by December 31st of each year, if any: <ol style="list-style-type: none"> a. Material changes are made to the qualification requirements of their credential. b. Mutual recognition agreements, reciprocal membership agreements, or other similar agreements are signed or renewed with other institutes or professional accountancy organizations. c. New or existing pathways to membership or licensure for foreign credential holders are initiated or materially altered. d. Strategic alliances, joint ventures, or material relationships with other institutes or professional accountancy organizations are initiated or materially altered. e. The number of members from each of the three countries who have applied under this agreement. 6. That any Party may, with 60 (sixty)-days' notice, withdraw their consent to this agreement for just cause.

Eligibility for recognition - registration

Commentary	Example Text
<p>This element is used where the MRA is based on recognition of the licensing or registration decision made by regulators in the economy of origin.</p> <p>If this is the case, this element should specify the mechanism by which eligibility for such recognition may be established.</p> <p>If there are any additional requirements to ensure the quality of the service, this element should set out the conditions under which those requirements may apply, for example, in case of shortcomings in relation to qualification requirements in the host economy or knowledge of local law, practice, standards, and regulations. This knowledge should be essential for practice in the host economy or required because there are differences in the scope of licensed practice.</p> <p>If additional requirements are deemed necessary, the MRA should set out in detail what they entail (for example, examination, aptitude test, additional practice in the host economy or in the economy of origin, practical training, and language used for examination).</p>	<p>Here is one example of how membership of a foreign professional body is used as the basis for recognition. Excerpt from the <i>Reciprocity Agreement between The Hong Kong Institute of Surveyors and New Zealand Property Institute</i> (entered into force 2003):</p> <ol style="list-style-type: none"> 1. A Corporate Member (Member or Fellow) of the HKIS in good standing, who is a paid up member of the General Practice Division may be elected as a Member of the NZPI subject to: <ol style="list-style-type: none"> a. One year's practice in New Zealand under the supervision and to the satisfaction of a member of the NZPI, during which the applicant will be required to maintain a detailed record of their experience, followed by; b. A professional interview conducted by the NZPI to test the applicant's knowledge of law and practice in New Zealand. c. Subsequent transfer to fellowship being subject to the Bye-laws and Regulations of the NZPI. 2. A Member of the NZPI in good standing, may be elected as a Member in the General Practice Division of the HKIS subject to: <ol style="list-style-type: none"> a. One year's practice in Hong Kong under the supervision and to the satisfaction of a Corporate Member of the HKIS, during which the applicant will be required to maintain a detailed record of their experience, followed by; b. A professional interview conducted by the HKIS to test the applicant's knowledge of law and practice in Hong Kong. c. Subsequent transfer to fellowship being subject to the Bye-laws and Regulations of the HKIS. 3. Each professional body maintains the right to seek evidence of the current standing of applicants. This may influence the stream to which applicants are admitted for membership. <p>Here is an example of how registration/licensing with a foreign professional body is used as the basis for recognition. Excerpt from the <i>Mutual Recognition of Registered/Licensed Engineers by the Jurisdictions of Australia and Canada to Facilitate Mobility</i> (entered into force 2013):</p> <ol style="list-style-type: none"> 4.2 Eligibility for Registration/Licensure in the Host Jurisdiction <ol style="list-style-type: none"> 4.2.1 The primary attribute for Registration/Licensure in the Host Jurisdiction pursuant to this Agreement is being a Registered/Licensed Engineer in the Home Jurisdiction. 4.2.2 Applicants must, in addition to demonstrating that they are a Registered/Licensed Engineer currently in good standing in the Home Jurisdiction, fulfil the following in order to qualify for Registration/Licensure pursuant to this Agreement: <ol style="list-style-type: none"> (a) Pass any examination or interview whose sole purpose is to ensure that the applicant understands local practices, legislation, codes, professional standards or other issues that are not related to the technical competence of the applicant to engage in the Practice of Engineering. (b) Demonstrate one year of Canadian or Canadian equivalent experience to enable Registration/Licensure in a Reciprocating Jurisdiction. (c) Provide a curriculum vitae and continuing professional development record for the purpose of matching the applicant to a discipline on the National Professional Engineers Register. (d) Agree to: <ol style="list-style-type: none"> (i) abide by the laws, rules and regulations of the Host Jurisdiction; (ii) meet the continuing competency assurance requirements of the Host Jurisdiction; and (iii) conform to the ethical standards of the Host Jurisdiction. (e) Declare any previous applications for Registration/Licensure to the Host Jurisdiction. (f) Complete an application form and pay any fee required. 4.2.3 Each Signatory will make its own arrangement for assessment and offer facilities for representative(s) of the other to be present as observers at any required examinations or interviews.

Mechanisms for implementation

Commentary	Example Text
<p>This element is used where the MRA includes implementation details, such as:</p> <ul style="list-style-type: none"> - any rules and procedures to be used to monitor and enforce the provisions of the MRA - any mechanisms for dialogue and administrative cooperation between the parties to the MRA - the means of arbitration for disputes under the MRA. <p>It may also include details about how individual applications for recognition can be made, what is required to support and application and how and how applications will be processed.</p> <p>It may also include commitments the parties make to each other about ensuring that implementation and associated procedures are made transparent, efficient and affordable.</p> <p>The main body of the agreement may overview the eligibility for recognition requirements, with further detail provided in a schedule / annex / appendix.</p>	<p>Here is one example of how specified entities are used to implement and monitor an agreement. Excerpt from the <i>APEC Architect - Bilateral Agreement on Reciprocal Recognition of Registered/Licensed Architects in Japan and Australia</i> (entered into force 2008)</p> <p style="text-align: center;">Implementation</p> <p>5.1 The parties agree that this Agreement will commence when</p> <p style="padding-left: 40px;">5.1.1 MLIT and the Japan APEC Architect Project Monitoring Committee have executed this agreement; and</p> <p style="padding-left: 40px;">5.1.2 AACA and the Australian APEC Architect Monitoring Committee have executed this agreement.</p> <p>5.2 The Monitoring Committees of both economies will exchange information on the number of applicants who have applied pursuant to the terms of this Agreement annually.</p> <p>5.3 Both economies resolve to provide to each other with regular reports dealing with matters relating to the implementation of this Agreement, in addition to the information to be provided in accordance with Article 5.2 of this Agreement.</p> <p>Here is another example of how an agreement is implemented and monitored. Excerpt from the <i>Mutual Recognition of Registered/Licensed Engineers by the Jurisdictions of Australia and Canada to Facilitate Mobility</i> (entered into force 2013)</p> <p style="text-align: center;">RATIFICATION AND IMPLEMENTATION</p> <p>Engineers Canada agree to submit this Agreement to the Jurisdictions within their purview and to use their best efforts to obtain ratification of this Agreement and to obtain its timely implementation. Engineers Canada will provide to a regularly updated Implementation Schedule.</p> <p>The provisions of this Agreement will apply to Jurisdictions listed on the Implementation Schedule. Applicants from Jurisdictions listed on the Implementation Schedule will be accorded the treatment set forth in this Agreement.</p> <p style="text-align: center;">DISCIPLINE AND ENFORCEMENT</p> <p>Both Engineers Australia and the Reciprocating Jurisdictions will extend co-operation to the extent possible on enforcement and disciplinary issues.</p> <p>An application for Registration/Licensure must include disclosure of sanctions related to the Practice of Engineering in other Jurisdictions. Information regarding sanctions may be considered in the Registration/Licensure process.</p> <p>An application for Registration/Licensure under this Agreement must include the applicant's written permission to distribute and exchange information regarding sanctions between all involved Jurisdictions. Failure to fully disclose or provide any of the required information may be the basis for denial of the application for Registration/Licensure, or for sanctions, including revocation of the Registration/Licence.</p> <p>A Jurisdiction shall take appropriate action, subject to its own rules of procedure and the principle of due process, related to a sanction that is reported to them by another Jurisdiction.</p>

Licensing and other provisions of the host economy

Commentary	Example Text
<p>This element can be used to set out the means by which, and the conditions under which, a license is actually obtained following the establishment of eligibility, and what such license entails (such as a license and its content, membership of a professional body, and use of professional or academic titles)</p> <p>Licensing requirements other than qualifications may include, for example:</p> <ul style="list-style-type: none"> - an office address, an establishment requirement, or a residency requirement - a language requirement - proof of good conduct and financial standing - professional indemnity insurance - compliance with host economy's requirements for use of trade or firm names - compliance with host economy ethics, for instance independence and incompatibility. <p>The main body of the agreement may overview the eligibility for recognition requirements, with further detail provided in a schedule/annex/appendix.</p>	<p>Here is an example of how licensing and other provisions are documented in an agreement. Excerpt from the <i>Mutual Recognition of Registered/Licensed Engineers by the Jurisdictions of Australia and Canada to Facilitate Mobility</i> (entered into force 2013)</p> <p>4.1 Current Registration/Licensure Practices</p> <p>4.1.1 In registering/licensing a Professional Engineer, the Associations/Ordre generally requires the following elements:</p> <ul style="list-style-type: none"> (a) A degree from an Accredited Engineering Program or a Substantially Equivalent Academic Formation; (b) A minimum of four years acceptable engineering experience of which one year must be obtained in a Canadian environment or equivalent; (c) A satisfactory level of English/French language competency, in speaking and in writing; (d) Successful completion of a professional practice examination; and (e) Demonstration of good character, through self-declaration plus peer recommendation. <p>In addition, some Associations/Ordre have, or are considering, implementation of additional competency based criteria for practice in certain areas.</p> <p>4.1.2 In conferring the title Chartered Professional Engineer and/or registering an engineer on the National Professional Engineers Register, Engineers Australia requires the following elements:</p> <ul style="list-style-type: none"> (a) Registered as Chartered Professional Engineer: <ul style="list-style-type: none"> (i) Successful completion of an Engineers Australia accredited or recognised undergraduate engineering course or assessment of equivalency. (ii) Assessment by Engineers Australia as eligible for independent practice by demonstration of specified competencies at Stage 2 (experienced practitioner). (iii) Maintenance of continuing professional development at a prescribed satisfactory level. (b) Registration on the National Professional Engineers Register: <ul style="list-style-type: none"> (i) Successful completion of an Engineers Australia accredited or recognised undergraduate engineering course or assessment of equivalency. (ii) Assessment by Engineers Australia as eligible for independent practice by demonstration of specified competencies at Stage 2 (experienced practitioner). (iii) Maintenance of continuing professional development at a prescribed satisfactory level. (iv) Identification of an area or areas of practice.

Monitoring and revision of the MRA

Commentary	Example Text
<p>This element can be used when a MRA includes terms under which it can be monitored, reviewed or revoked, the details of such terms should be clearly stated.</p>	<p>Here is an example of how review and monitoring is specified in a detailed way for a comprehensive agreement. Excerpt from the <i>Trans-Tasman Mutual Recognition Arrangement (Arrangement between the Australian Parties and New Zealand Relating to Trans-Tasman Mutual Recognition)</i> (entered into force 1997)</p> <p style="text-align: center;">REVIEW OF THE ARRANGEMENT</p> <p>General review</p> <p>12.1.1 The Parties will undertake a general review of the operation of the Arrangement and its related legislation in 2003 or in conjunction with the second review of the Australian Mutual Recognition Agreement, whichever comes first. This will align future reviews of both the TTMA and the MRA which will thereafter take place at five yearly intervals.</p> <p>12.1.2 The general review will assess the effectiveness of the arrangements in fostering and enhancing trade and workforce mobility between Australia and New Zealand and should consider whether any changes to the Arrangement or related legislation are required to improve the operation or coverage of the Arrangement.</p> <p>12.1.3 The review should include an assessment of any amendments or additions to the laws in the Schedules to the Arrangement and comment on their consistency with the principles underpinning the Arrangement. It is the intention of the Parties to minimise, as far as possible, exemptions and exclusions from the Arrangement. The Participating Parties will also examine the scope for deletions from the schedules, consistent with the intention to minimise exemptions and exclusions from the Arrangement.</p> <p>Monitoring</p> <p>12.2.1 The Heads of Government of the Participating Parties will monitor the effectiveness of the Arrangement, consider ways and means of facilitating the removal of laws relating to goods and occupations from the Schedules, and make resolutions as to the future operation of the Arrangement. In doing so, Heads of Government may request relevant Ministerial Councils to report on the effectiveness of the Arrangement in relation to Goods or Occupations for which they are responsible.</p> <p>12.2.2 In addition to providing any report requested by Heads of Government, Ministerial Councils may also report on the effectiveness of the Arrangement and make recommendations to Heads of Government of the Participating Parties as to its future operation no later than six months before the time fixed for a general review of the Arrangement.</p> <p>Here is an example of how review and monitoring is specified in a general way as part of the term of agreement for a specific profession. Excerpt from the <i>Mutual Recognition of Registered/Licensed Engineers by the Jurisdictions of Australia and Canada to Facilitate Mobility</i> (entered into force 2013)</p> <p style="text-align: center;">TERM OF AGREEMENT</p> <p>This Agreement will come into effect on execution.</p> <p>The signatories shall, at least every five years, review and update the status of implementation and the effectiveness of the Agreement, and recommend changes.</p> <p>A Signatory or any Reciprocating Jurisdiction may withdraw from the provisions of this Agreement six months after it provides written notice of withdrawal to the other signatories and Reciprocating Jurisdictions. If a Reciprocating Jurisdiction withdraws, the Agreement shall remain in force for the remaining Reciprocating Jurisdictions.</p> <p>This Agreement will automatically terminate if a Signatory is not a member in good standing of the Washington Accord.</p>

Negotiating a MRA: Process and pointers

Guidance

The development and negotiation of a MRA is an intensive process that works best through the establishment of strong relationships, understanding, and trust between parties. Though every MRA goes through its own unique process of development and negotiation, all seem to depend upon close and open collaboration as a pre-requisite for success.

As discussed in the section *Choosing an Instrument*, several economies have published guidelines to assist with the development of MRAs, including their negotiation. The Association of Southeast Asian Nations (ASEAN) has also published guidelines. Some key pointers for negotiation can be discerned from these.

Determining shared value

The initial impetus for the desire to develop a MRA is usually derived from a recognition of the shared value of doing so between economies and for the professional services area in question. The starting point for negotiating a MRA is to work to determine where this shared value lies. This could be about a more efficient means of opening two-way market access for professional services, or more rapidly delivering other shared goals that are connected to trade and investment. One way through which this shared value can be determined is to investigate the impacts, costs, and benefits of establishing a MRA. This investigation could consider these for the domestic, bilateral, and regional levels, as required and as resourcing permits. Such an investigation may be carried out by a working group or by the economies and/or the professional bodies pursuing the MRA.

Determining the scope of the MRA

Once shared value has been determined, before drafting any agreement text, it is advisable to agree to the scope of the MRA, setting out the anticipated coverage of the MRA (such as which sector/s it addresses), objectives (what the MRA will achieve, particularly for trade), and guiding principles (the broad approach to negotiation). This reflects identified shared value and provides a reference point for detailed negotiations, as well as a vital platform for the development of agreement text. Without this in place, the negotiation of an agreement can be easily frustrated.

Establishing a working group

Establishing a working group with representation from the involved economies and other key actors is an advisable step. The working group could be established at the very outset of the MRA process, but it is essential to support the negotiation stage. An effective working group has a sufficient mix of knowledge and experience within the sector/s that the MRA is addressing. Usually, a working group will include or have ready access to experienced trade officials who have negotiated MRAs and similar agreements before. This is particularly important if the MRA is being developed between economies with a trade agreement that addresses commitments to pursuing mutual recognition. Trade agreements will usually specify the guardrails within which negotiations can occur.

Understanding regulatory similarities and differences

The negotiation and the development of text will need to be based upon a sound understanding of the similarities and differences between economies around how a professional services sector is regulated at the domestic level. This will usually involve looking at educational qualification standards and licensing requirements, particularly how these are met and maintained.

Agreeing recognition standards and processes

Once regulatory approaches have been understood and compared, recognition standards and processes can be agreed. Recognition standards may point to what counts as substantial equivalency between economies and how a service is regulated. Recognition processes may point to the steps required to enable recognition.

Bearing in mind that one purpose of a MRA is to reduce technical barriers to trade in services, recognition standards and processes should be adequately justified, fair, and clearly articulated. There is a need to strike the right balance between maintaining regulatory standards and enabling more efficient recognition. Finding and agreeing to this balance is usually a major focus of negotiations.

Developing and approving the MRA text

There are several phases to developing and approving a MRA text.

A MRA text usually starts as a working draft that captures and aims to reflect many of the above points of negotiation. The working draft is used as a draft for consultation. It may include suggested and alternative wording and attach commentary that provides further context. Economies will use this draft to consult with and seek feedback from stakeholders. Feedback from stakeholders is used to formulate positions for further negotiation. This is a crucial phase in the development of a MRA as it can establish the 'buy-in' of actors that will be vital to the successful implementation of the MRA. Consultation may include:

- Professional bodies and associations
- Regulators and other competent authorities
- Education and qualification authorities
- Recognition and licensing authorities
- Trade and economic official representations

Revised drafts of the text should demonstrate that any substantive issues raised via consultation with these key actors have been addressed and reflected.

Once consultation is complete, the working group reconvenes to hear and consider feedback. This usually leads to further negotiation of the text and ultimately the preparation of an agreed final draft of the MRA. Because feedback from consultation may be diverse and complex, further negotiation of the text may take time. To resolve conflicting positions, it is useful to recall the intended scope, objectives, and guiding principles of the MRA and test the degree to which the text meets these.

Once agreed, a final draft text is circulated for legal vetting, endorsement, and approval by relevant counterparties and authorities. By this stage, it is usually the case that the relevant counterparties and authorities are already familiar with the MRA text. This means that major

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changes that would require further negotiation are unlikely. Minor changes, however, may be made to enable legal compliance.

Examples

In practice, the negotiation of a MRA requires a strong commitment to achieving mutual recognition amongst all key stakeholders involved, particularly the competent authorities between whom the agreement will be undertaken.

When hearing about what makes for a successful negotiation, the themes of trust, transparency, and close collaboration are consistently referenced. Emphasising this, here are some key tips arising from two recent and successful MRA negotiations.

Mutual Recognition Agreement between the Architects Registration Board (UK) and the National Council of Architectural Registration Boards (US), May 2023⁷

- Make the right connections, which means identifying the most appropriate competent authority to negotiate an agreement with, this being particularly important when seeking an agreement that involves a federated economy.
- Work to establish trusted relationships between competent authorities as early as possible, as the foundation for developing aligned understandings and running negotiations.
- Trust comes through engaging in open dialogue and taking the time to listen and to learn about the particulars of how each economy approaches the regulation of the profession, accurately identifying opportunities for and limitations to mutual recognition, and clearly defining the scope and objectives of the agreement.
- Conduct negotiations patiently through close collaboration, in a non-adversarial manner, helping each other to work through specific issues and detail, and allowing each other time to manage domestic processes required to support the realisation of an agreement.

Renewed Mutual Recognition Agreement between Engineers Australia and the Institution of Professional Engineers, Japan (IPEJ) and Ministry of Education, Culture, Sports, Science and Technology (MEXT), October 2003 (renewal date TBC)⁸

- Recognise that there can be a wide spectrum of institutions with a varied range of responsibilities for regulating a profession, and work to fully understand how these may influence mutual recognition.

⁷ As presented by representation from the United States National Council of Architectural Registration Boards, at the APEC Professional Services and Mutual Recognition Community of Practice session held on 20 February 2023. See <https://www.apec.org.au/mra-community-of-practice> for more information.

⁸ As presented by representation from Engineers Australia, at the APEC Professional Services and Mutual Recognition Community of Practice session held on 16 September 2022. See <https://www.apec.org.au/mra-community-of-practice> for more information.

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- Notwithstanding the complexity that can be encountered, the common denominator for mutual recognition is the recognition of qualifications and credentials. So maintain this as the focus for understanding and negotiation.
- Accept that the development of a MRA takes time, so resource the whole journey well, keeping key stakeholders regularly informed and updated about progress, because building and maintaining momentum is crucial.
- Recognise and seize the opportunities for continuing collaboration beyond the negotiation of an agreement. Start out with the intention to keep the relationships formed during negotiations alive so that these can be used for further cooperation.

Additional resources

CPTPP Guidelines

- <https://www.dfat.gov.au/trade/for-australian-business/professional-services-mutual-recognition-unit/guidelines-mutual-recognition-agreements-or-arrangements-professional-services>

Canada Guidelines

- <https://ustr.gov/sites/default/files/files/agreements/FTA/USMCA/Text/15-Cross-Border-Trade-in-Services.pdf>

ASEAN Guidelines for the Development of MRAs

- <https://asean.org/wp-content/uploads/2021/08/Guidelines-for-The-Development-of-Mutual-Recognition-Arrangements-rev3-FA.pdf>

Implementing a MRA: ease of use and keeping them current

Using digital delivery to support the implementation of MRAs

What is digitalisation and why is it important in the context of MRAs?

For professional services, this means a growing shift towards full or partial digital delivery of services, and the temporary movement of professionals across borders for short term assignments or to support specific needs. This shift is being driven by market demand. Buyers of professional services expect to be able to access these services more quickly from professionals wherever they may be based, and suppliers of professional services expect to be found easier to take up opportunities wherever they may be available.

For mutual recognition, these changes in the supply, demand, and delivery of professional services creates a more dynamic set of cross border trade relationships. This has implications for the implementation of MRAs, in particular. As well as addressing the physical movement of professionals between economies, the implementation of MRAs must now also address the digital supply of professional services across borders.

The rise of digitalisation and the digital delivery of services is an opportunity to improve the efficiency of recognition processes and to enhance the crucial role that mutual recognition plays for assuring standards. For example, the use of trusted, verifiable digital credentials could make it easier for professionals to be recognised, while providing for a more transparent signalling of recognised professional standards.

There are various ways in which mutual recognition can be enhanced and supported by embracing the digital opportunity.

Ensuring that a MRA is digital-ready

It is important to begin by ensuring that a MRA is digital-ready.

At the most basic level, this means checking that the recognition approach established by a MRA does not somehow exclude or hinder the use of digital technologies to support recognition. This could, for example, mean checking whether there is a requirement that recognition can only occur via the physical presence of a professional in a receiving economy.

At the more advanced level, a MRA may explicitly refer to the agreed use of digital technologies in the recognition approach. For example, parties to the agreement may identify an existing digital credential that, if held by a professional, would be an acceptable standard for recognition. Alternatively, the recognition approach may explicitly endorse the use of virtual platforms for certain aspects of a recognition process, such as interviews and assessments.

Using the digital environment to enhance transparency and accessibility

The digital environment should be used to enhance transparency and accessibility.

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Enhancing transparency involves making information about a MRA, the recognition approach, and recognition processes publicly available, via an online home. For example, a professional body could publish the MRA and clear guidance about the recognition approach on its own website.

Enhancing accessibility involves using digital channels (websites, online forums and social media) to promote a MRA and the recognition approach to professional firms and individuals, as well as using digital platforms to enable applications and processing. A professional firm or individual who is interested in pursuing recognition should be able to access a one-stop shop to find out how to become recognised and apply. Digital platforms can also be used to keep applicants updated about the progress of their applications, as well as for regulating bodies to track usage of the MRA.

Using recognised digital standards

An important aspect of using the digital environment is establishing trust amongst users. This is particularly important when it comes to the collection and use of data, which would be essential for an online application process.

The best way to establish trust is to use recognised digital standards. Digital standards are the established norms that guide the development of digital technologies to ensure interoperability across products— international digital trade, commerce, and communication would not function seamlessly without them. The parties to a MRA should, during negotiations, identify and agree to the digital standards that could be used to support recognition. These standards will vary between economies, and within regions, and may also be influenced by domestic regulations (for example, data and privacy laws). Nonetheless, the most common digital standards that are used internationally are readily identifiable and are easily adapted to meet domestic requirements.

One example of a recognised digital data standard, is the [General Data Protection Regulation \(GDPR\)](#), which applies to the collection and use of data in the EU and for EU citizens. Because of its broad application in Europe, the GDPR has in effect become the default minimum standard for the cross-border collection and use of data around the world.

The use of digital channels and platforms to support recognition processes are rapidly increasing. These can be a combination of first party (designed and built specifically by or for a recognition authority) and third party (supplied to a recognition authority).

Digital channels and platforms can be used at each stage of the recognition process:

Recognition Step	Digital Support Examples
<i>Candidate applications</i>	An online portal for creating and managing applications for recognition, can be purpose-built or supplied by third party, these portals collect data and documentation from applicants for use in the recognition process
<i>Checking of qualifications/ experience</i>	Platforms like My eQuals and Credly can be used to document and verify qualifications, and issue digital credentials
<i>Supplementary assessments</i>	Supplementary assessments can be conducted remotely via online proctoring platforms like Questionmark and ProctorU

<i>Results/certificates/credentials</i>	Qualifications and results can be issued and stored via trusted platforms like Accredible and Digitary
<i>Registration/licensure</i>	Registration and licensure can be applied for and managed via online registries
<i>Continuing professional education/development</i>	Further professional education, development and experience can be registered, tracked and verified via platforms like Arlo and CPD Hub

Steps for the digitalisation of a MRA

There are a number of practical steps that can be taken towards the digitalisation of a MRA. They start with checking and confirming that all of the mutual recognition essentials are in place via the agreement, and that parties to the agreement are open to and ready to support digitalisation. Then come steps that involve working in collaboration with key stakeholders and experts to check and confirm there are no technical impediments to digitalisation and that the key relationships, knowledge, experience, and resources required are available and able to be harnessed to support digitalisation. The final set of steps involve the setting up of partnerships, systems, and processes to enable digitalisation.

Box 2: Improving prospects for the digitalisation of a MRA

→ Basic requirements

Check the basic requirements for digitalisation are in place by confirming the following:

- There is a mutual recognition agreement covering your profession.
- Relevant competent authorities support digitalisation and the use of digital credentials. Being able to point to digitalisation in similar organisations or professions can assist.
- Standards for credentials have been agreed between economies with clear and explicit criteria for recognition of international qualifications
- Programs in awarding institutions need to have been assessed for adherence to these standards and differences between economies identified.
- Economies participating in the MRA are able to comply with data protection rules and protect personal information

→ Collaboration

If the basic requirements are in place, start collaborating with key stakeholders around the following questions:

- Is the government regulator or policy department supportive of digitalisation for the MRA covering the profession?
- Are there any domestic regulations that could hinder digitalisation? This could include residence or local participation requirements.
- Are other sectors of the economy already using digital credentials? For example, land management authorities, medical records, university credentialing, other professions. You can learn from their experience.
- Are there examples of technology partnerships in the economy or region, aimed at credential systems, online proctoring, data security and verification?
- Do some, or all, of the professional organisations participating in the mutual recognition agreement have strong IT infrastructure?
- Are professional associations willing to support the use of digital processes? (e.g., by publishing guidance)

→ Design and Implementation

Once collaboration has been established, design and implementation may proceed:

- Is there a suitable web-based platform available for end-to-end management of your process, including verification of documentation, supplementary testing, issuing secure digital certificates?
- Is there a suitable software platform provider, willing to provide professional organisations with advice and access at reasonable prices? For example, Credly and My eQuals.
- Is there an organisation within the participating economies willing to manage a digital platform for a profession? (e.g., APEC, ASEAN or groups like the International Engineering Alliance).
- Is a regional organisation prepared to host and manage a digital system? (e.g., ASEAN, APEC)

Monitoring and reviewing a MRA

It is good practice for the participants in a MRA to commit to ongoing monitoring and review during implementation. There is a shared interest in doing so because it enables all participants to track the degree to which the MRA is being used by professionals, and reviewing the MRA where there is opportunity for improving its effectiveness in enabling the cross-border mobility of professionals and professional services.

Monitoring

Monitoring primarily involves collecting and sharing data about the degree to which a MRA is being used to support the mobility of professionals and professional services. One of the additional benefits of a digital system is that it can readily allow for the collection of data such as:

- the number of applications being made under the MRA
- statistics about the progress of applications and recognition requirements like supplementary assessments
- rates of successful versus unsuccessful applications
- statistics about the completion of licensing, registration, and continuing professional development requirements

Monitoring should also involve collecting feedback from the users and beneficiaries of the MRA. This feedback will help to provide context for data and statistics, and insights that can be used to inform periodic reviews of the MRA.

Because MRAs have the potential to increase trade in professional services, monitoring should also include insights about trade flows. Good practice would be to establish a baseline understanding of the state of trade just before the implementation of the MRA and compare this to changes over time.

Reviewing

It has become a common practice for MRAs to include a requirement for periodic review of the agreement. Periodic review provides an opportunity for participants to consider the effectiveness of the MRA for advancing mutual recognition and enabling the greater mobility of professionals and professional services.

Good practice is to recognise that a well-informed review would be able to take advantage of insights gained through the ongoing monitoring of the agreement's use, as described above. However, review should also consider key changes in domestic arrangements that are or could be affecting the implementation of the agreement. For example, any changes in how a profession is regulated may affect an existing MRA. An economy's trade policy goals and commitments may also have changed. A review should also consider changes at the international level that could have implications for an existing agreement. For example, new arrangements for international cooperation around a professional services sector may have emerged. A review would consider whether and how these new arrangements could be reflected in any revision of the agreement.

Example

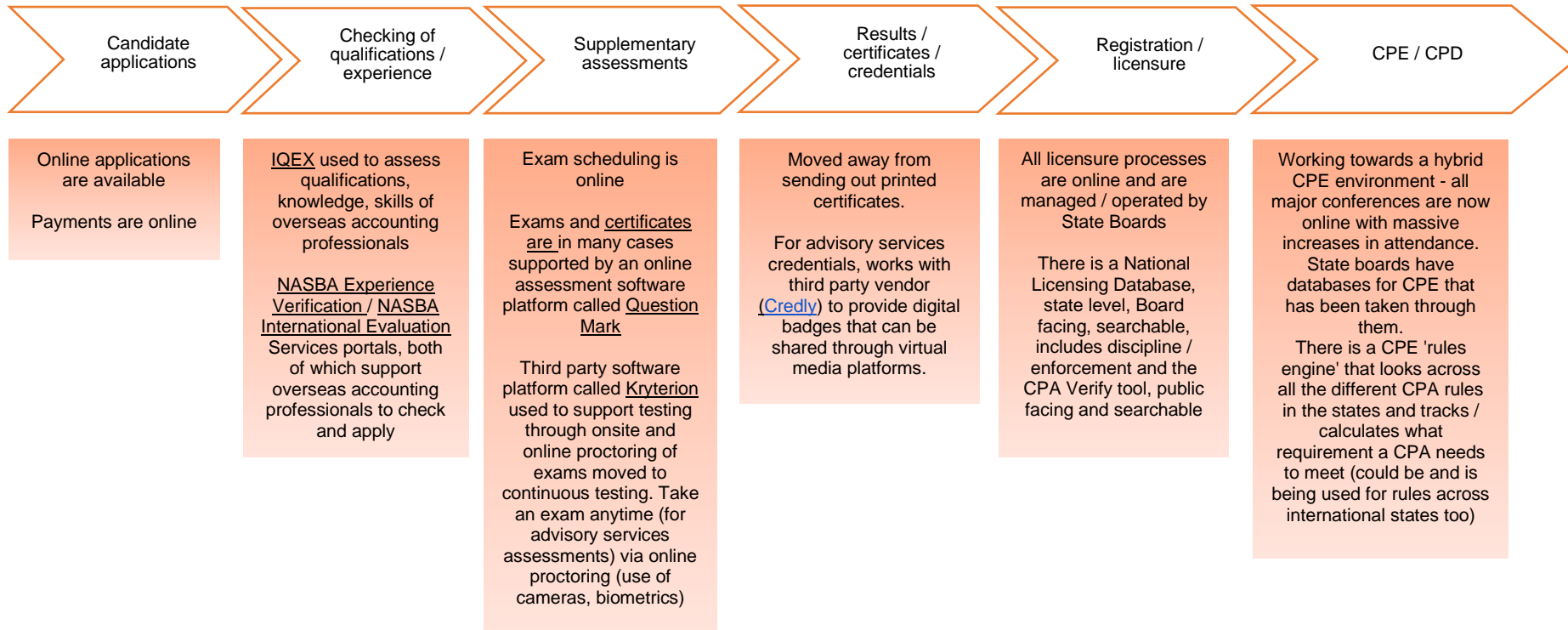
Here is an example of how the implementation of mutual recognition in the domestic economy can use the digital environment to improve transparency and efficiency. The example is taken from the United States accounting services sector, reflecting a collaboration between two bodies in a domestic economy: the National Association of State

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Boards of Accountancy, and the American Institute of Certified Public Accountants. This collaboration involved a rapid pivot of recognition practices towards the use of the digital environment during the Covid-19 pandemic, which interrupted the physical movement of people across borders.

The example is presented using a framework that shows all of the phases in a standardised recognition process, highlighting where and how digitalisation supports each phase. The example shows how it is possible to use digital technologies in all phases of recognition.

Opportunities for digitalisation across the recognition process



Attachment A: Indicative online layout

Introduction

Preparing for an MRA

Assessing
equivalency of
standards

Choosing an
instrument

Building an MRA

Negotiating an MRA

Implementing and
reviewing

Preparing for an MRA: Factors to consider in the home economy

This is the guidance topic heading.

Guidance

This is where general guidance on the topic is provided.

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Additional Resources

This where links to further / additional resources are included.

Example

This is where a practical example or case study is outlined.

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Introduction

Preparing for an MRA

Assessing
equivalency of
standards

Choosing an
instrument

Building an MRA

Negotiating an MRA

Implementing and
reviewing

Building an MRA: the common elements of an MRA (template)

This is the guidance topic heading.

Element: The Purpose of the MRA

Commentary

This element is used to name and define the purpose of the MRA.

The purpose may be broadly stated, or it may be extended to include further detail about the scope of the agreement.

Example text

Excerpt from the *Trans-Tasman Mutual Recognition Arrangement (Arrangement between the Australian Parties and New Zealand Relating to Trans-Tasman Mutual Recognition)* (entered into force 1997)

PURPOSE

A. The purpose of the Arrangement is to give effect to a scheme implementing mutual recognition principles between the Parties relating to the sale of Goods and the Registration of Occupations, consistent with the protection of public health and safety and the environment.

Additional Resources

This where links to further / additional resources are included.