

MEMORANDUM OF UNDERSTANDING

This Memorandum is made on 07/09/06

between

(1) Serbian Association of Accountants and Auditors, represented by General Secretary of Serbian Association of Accountants and Auditors – acting on the basis of its Charter

and

(2) Chamber of Hungarian Auditors, represented by the President of the Chamber of Hungarian Auditors – acting on the basis of its Charter

1. Subject of the Agreement and Parties Obligations

1.1 Under the terms of this Agreement, the Parties bind themselves to cooperate and assist each other in the field accounting, auditing and related areas.

1.2 The Parties will cooperate in order to reach the following goals:

- promote the status and the role of the accounting profession,
- to improve work and service in the public interest,
- improve the methodology and practice of accounting and audit in compliance with European and international standards,
- develop and implement the professional rules of ethics for accountants and auditors fully in line with international standards,
- develop programs of continuing professional education and upgrading professional qualifications program for accountants and auditors,
- coordinate the research studies in accounting and auditing and strengthening the relationship between theory and practice in the stated areas,
- foster international integration also by establishing and maintaining contacts with associations of auditors and accountants from other countries and/or multinational professional bodies.

1.3 In order to perform the provisions of this Memorandum the Parties accept the obligation to:

1.3.1 undertake activities of common interest and exchange information about current, domestic development verbally and/or in writing,

1.3.2 delegate its representatives to the other Party events for the benefit of improving their qualifications and sharing professional experience,

- 1.3.3 invite the other Party's representatives to conferences, symposia, round-table discussions, and seminars on the issues within the common interests areas; chargeability of attendance to such events will be decided upon on individual basis in the light of current circumstances,
- 1.3.4 spread within the country and abroad key information relating to the activities of each Party; the information must be true, impartial, and in the form acceptable to the other Party

2. Confidentiality

- 2.1 The Parties agree to observe confidentiality with respect to the information disclosed in the course of performance of the Memorandum as well as the data, which may be used for the purpose of competitive activity.
- 2.2 The Parties bind themselves not to perform any actions that may directly or indirectly cause damage to the other Party's reputation or interests.
- 2.3 The above confidentiality obligations are not applied to publicly available information.

3. Other conditions

- 3.1 This Memorandum does not impose any financial obligations on either part, with exception to communication and hospitality expenses. The Parties will separately decide on ways of financing different developments carried out as a consequence of this Memorandum of Understanding. Separate terms of reference and financial conditions for future project may be stipulated in writing if Parties will agree to do so, on case by case basis.
- 3.2 The Memorandum shall commence on 07/09/06 and shall continue for undetermined period.

The Memorandum can be terminated in the following circumstances:

- on the request of one of the Parties with one month written notice,
 - in case of the Parties has terminated its activity.
- 3.3 Any alterations or additions to this Memorandum can only be deemed valid if made in writing and signed by both parties hereto.
 - 3.4 This Memorandum is made in English in two copies, one copy for each Party, both copies being of equal legal power.

4. Parties Details

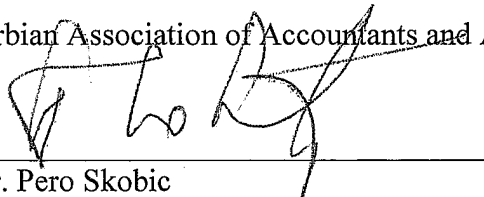
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11000 Belgrade, Njegoseva 19, Serbia
Tel: 00 381 11 334 4404

Chamber of Hungarian Auditors
1063 Budapest, Szinyei Merse u. 8., Hungary
Tel: 00 36 1 473 4500

5. Signatures

For and on behalf of

Serbian Association of Accountants and Auditors



Mr. Pero Skobic
General Secretary

Chamber of Hungarian Auditors



dr. Dezső Sugár
President