As the saying goes, “Time flies when you are having a good time”. My term as AFA President has come to an end. I am both humbled and honoured to have represented Singapore to serve as AFA President for the past two years. AFA has afforded me the invaluable opportunity of meeting many wonderful people in ASEAN, some of whom I have now become good friends with. I was also privileged to witness the rapid and new economic developments in the region. I must say the speed of growth in ASEAN is extremely remarkable and this makes ASEAN a very attractive investment hotspot with immense potential!
ASEAN is poised to be the fourth-largest economy in the world by 2030, after the European Union, the United States and China. ASEAN’s GDP is expected to grow by more than 5% per year. As the ASEAN region continues to experience exponential growth, so does the demand for quality accountancy services. Against this backdrop, high quality financial reports are fundamental to building trust in capital markets. Having a strong governance environment and legal framework are also essential. In providing a true and fair view of financial performance and position, they help to enhance the attractiveness of ASEAN businesses as investment opportunities in the international arena.

Over the last two years, AFA member bodies have stepped up efforts to co-develop the accountancy profession in ASEAN. The efforts were driven by AFA’s three main strategic priorities, namely, support adoption and implementation of international standards, position AFA as a regional thought leader in discussion of issues relevant to the accountancy profession, and build the capacity of the ASEAN professional accountancy organisations (PAOs).

The strategic priorities seek to uplift the professional standards of the accountancy profession in ASEAN, so as to support the region’s booming economy, as well as to keep pace with the rapid and disruptive changes that are reshaping the global accountancy profession.

I am pleased to share that AFA celebrated many achievements and successes as a regional accountancy body in recent years. In 2018, I had the privilege, as AFA’s first
President to speak at the World Congress of Accountants (WCOA) – the “Olympics of Accountancy Profession” in Sydney, attended by more than 5,000 accountants from around 118 countries.

There were also several bilateral and trilateral collaborations among AFA member bodies. These included 10 capacity-building workshops in ASEAN conducted by Institute of Singapore Chartered Accountants (ISCA); tripartite collaboration between Lao Chamber of Professional Accountants and Auditors (LCPAA), Malaysian Institute of Accountants, and World Bank on IFRS transition in Lao PDR, and an ethics workshop co-organised by Brunei Darussalam Institute of Certified Public Accountants and Institute of Indonesia Chartered Accountants, just to name a few. These helped to expand capacities and build new capabilities in ASEAN to support the growing demand for accountancy services.

Besides building regional capacity, AFA also worked towards obtaining global recognition as the regional accountancy body of ASEAN and advocating public interest issues. For example, AFA participated in International Federation of Accountants (IFAC) PAO Development Committee Meeting in Manila in 2018 and co-hosted several events with international partners, such as IAI-AFA-IAESB International Conference in Bali and the IFAC Developing Accountancy Capacity in Emerging Economies Conference in Kuala Lumpur in 2019.

In November 2019, AFA reached a significant milestone when the IFAC announced that it had approved AFA’s application to become the first new regional organisation under IFAC’s newly established framework for strategic relationships. Under this framework, IFAC and AFA can look forward to collaborating on common strategic interests in the near future.

At the same time, AFA celebrated LCPAA’s successful admission as an IFAC Associate member. This is an important milestone not only for LCPAA in being recognised as a credible professional accountancy organisation that meets international standards, but also AFA, in realising our collective aspiration to raise the professional standards of the accountancy profession in ASEAN.
2020-2023: Our Plan for the Future of the ASEAN Accountancy Profession

During our strategic retreat hosted by Myanmar Institute of Certified Public Accountants (MICPA) in Bagan in September 2019, AFA Council had a fruitful discussion which yielded useful suggestions on how AFA should build on its success. Moving forward, AFA will continue to play the advisory and leading role on matters relating to the ASEAN accountancy profession. This will be supported by AFA member bodies to bring about dynamic development, stability and prosperity.

AFA Strategic Plan (2020 - 2023)

Passing the Baton

Thank you for your unwavering support throughout my term as AFA President. I wish to take this opportunity to express my most sincere appreciation to my fellow Office Bearers 2018-2019: Mr Wan Tin and Prof Chan Yoke Kai; Executive Director Mr Aucky Pratama, AFA Secretariat and Council members. I look forward to working with the new leadership team led by President Mr Wan Tin and Deputy President Mr Suphot Singhasaneh, to build an innovative and resilient ASEAN for us all and for future generations.

I hope you enjoy reading our fourth edition of the AFA Connect.

Thank you.
In the last decade, we have witnessed the rise of ASEAN as an economic region, a grouping of nations at different levels of development sharing the same strategic interests. Despite its internal conflicts, Myanmar is now struggling to become a modern fully democratic country and to catch up with the other developed countries in the ASEAN region in terms of development in all sectors, economic, social, industrial, educational, etc. It can be seen that gradual and continuous progress in economic growth has been reflected in the increase of Myanmar’s presence in various regional activities since its inception as a member of ASEAN in 1997.

With a population of more than 54 million (2017), Myanmar’s economy grew at 6.8 percent in 2017/2018, driven by strong performance in domestic trade and telecommunications, but offset by slowing growth in manufacturing, construction and transport sectors. The country’s economy growth is set to recover to 6.6 percent by 2020/21, driven by an expected pickup in foreign and domestic investment responding to recent government policy measures.

The nation’s progress needs to be supported by a strong accountancy profession, one that can create an accountable economic ecosystem and support a sustainable business environment.

A Growing PAO in a Developing Country, the Myanmar Accountancy Profession Story

With a population of more than 54 million (2017), Myanmar’s economy grew at 6.8 percent in 2017/2018, driven by strong performance in domestic trade and telecommunications, but offset by slowing growth in manufacturing, construction and transport sectors. The country’s economy growth is set to recover to 6.6 percent by 2020/21, driven by an expected pickup in foreign and domestic investment responding to recent government policy measures.

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A Growing PAO in a Developing Country, the Myanmar Accountancy Profession Story

Development journey of the Myanmar accountancy profession can be reflected

from the journey of its PAO. The Myanmar Institute of Certified Public Accountants (MICPA) was first formed in 2013 as an association under the guidance of the Myanmar Accountancy Council (MAC), a policymaking body of accountants and auditors, with permission from the Ministry of Home Affairs. It was founded to function as the body that will communicate with international accountancy bodies on matters of the accounting profession and distribute relevant development information to its members. Realising its potential in playing a much bigger role in the development of the accounting profession in Myanmar, MICPA then became an independent, non-profit corporate entity in 2014 complete with its own memorandum and articles of association.

With a membership of 917 practicing and 434 non-practicing accountants (December 2019), MICPA has been very active in working with various (national, regional, and international) partners and stakeholders, through different development cooperation and activities. MICPA has agreements (MOUs) with for example, the Institute of Chartered Accountants in England and Wales (ICAEW) on various accountancy development activities, the Association of Accounting Technicians (AAT), affirming a commitment to work together to support the development of entry and intermediate level accountants and accounting technicians in Myanmar, and the Institute of Singapore Chartered Accountants (ISCA), that ISCA provides trainings on principles of accounting, ISCA Micro Accounting Manual, ISCA Audit Manual, as well as IFRS and IFRS for SME.

One major development activity that we have been conducting together with the Association of Chartered Certified Accountants (ACCA) under an IFAC project funded by the UK Department for International Development (DFID) is the MICPA 5-year capacity building project. This project aims to strengthen MICPA’s position as a recognised PAO in Myanmar, through revision of our organisation’s Constitution, establishment of a blueprint for profession development, and preparation for associate membership with IFAC at completion of the project.

MICPA is also working with the Asian Development Bank (ADB) on translation of IFRS into local language, an important step in ensuring better acceptance and understanding of the standards by the local stakeholders. Furthermore, a series of workshops on IFRS (and IFRS for SMEs) have been jointly conducted throughout the year with our partners to build the local capacity in implementing the standards.

Recognising the importance of strengthening the quality of audit in the country, under the guidance of MAC, we also conducted a series of workshops on ISQC for all senior staffs of the audit firms. The workshops are aimed to enable audit firms to carry out their audit works in compliance with ISQC requirements. Regionally, we continue to play our role in supporting MAC, in promoting the implementation of the ASEAN MRA On Accountancy Services. As of December 2019,
out of 4,042 registered ASEAN CPAs, 403 are from Myanmar. I believe we can have a bigger role, together with AFA, to play in supporting the ASEAN in implementing the MRA and further promote the initiative to accountants in the region.

Developing the Region, Carrying the Voice of ASEAN Accountants in Global Discussion

Throughout my participation as an AFA Council member and then AFA Deputy President (2018-2019), I have witnessed how as a grouping of ASEAN PAOs AFA continues to make progress in our collective efforts in building the ASEAN accountancy profession. Under the AFA Strategic Plan 2016-2019: Building Regional Capacity, Supporting Global Endeavours, AFA and the AFA member organisations have engaged in many development collaborations and activities. Focusing on our shared priorities on adoption and implementation of international standards, regional thought leadership on SMEs and SMPs issues, and capacity building of ASEAN PAOs, we continue to work on pressing issues faced by the PAOs and their members. As a growing region (and profession), we recognise the limited collective capacity available and accessible to both the ASEAN PAOs and accountants. Knowledge and experience sharing become an important avenue for the developing PAOs, such as MICPA, to learn from our “big brothers” the more developed ASEAN PAOs.

Reflecting on our progress in 2016-2019, I believe the role of a regional body such as AFA is becoming more important, especially in facilitating cooperation between stakeholders and carrying the collective voice of the region in global discussion on topics relevant to the ASEAN accountancy profession. Understanding that we share similar culture unique to our region is an important asset in our collaboration to build the capacity of ASEAN PAOs.

For MICPA, we aspire to continue our effort to be recognised as an IFAC Associate. As the only PAO in the region currently yet to be either an associate or member of IFAC, we look to leverage our membership with AFA and network with the AFA member organisations to work on our capacity to be a stronger PAO with capacity to continuously meet the IFAC SMOs. As a group, we have rightly identified IFAC as an important stakeholder and the IFAC SMOs as a benchmark for quality in assessing the level of development of the ASEAN PAOs. Recognition of AFA as an IFAC Network Partner in 2019 further highlighted our aspiration to work closer with the global body for the profession.

Under the leadership of President Kon Yin Tong of ISCA (2018-2019), AFA has made significant progress towards our shared regional goals. Together with Deputy President Suphot Singhasaneh of TFAC and Treasurer Professor Chan Yoke Kai of ISCA, and with support from our member organisations, partners, and stakeholders, I look forward to implementing the AFA Strategic Plan 2020-2023 for a better ASEAN accountancy profession.

Thank you.
Lao (officially the Lao People’s Democratic Republic) is a landlocked country, bordered by Myanmar and China (northwest), Vietnam (east), Cambodia (southeast), and Thailand (west and southwest). With a population of more than 7 million, the country continues to ride its 7.7% GDP growth (averaged) over the last decade towards further economic progress, recording the fourth highest GDP per capita in Southeast Asia in 2018. Moreover, according to the World Bank\(^1\), Lao is expected to recover its economic growth from 6.3% in 2018 to 6.5% in 2019. Essentially, Lao PDR is a growing economy, one that needs support from a strong accountancy profession.

**Building a Strong Laotian Professional Accountancy Organisation**

The Lao Chamber of Professional Accountants and Auditors (LCPAA) was first established as the Lao Institute of Certified Public Accountants (LICPA) in 1998, a year after Lao PDR joined ASEAN (23 July 1997). With an objective to unite accountancy professional in Lao, LCPAA’s recognition is established under the Law on Independent Audit of 2014 (“Law”).

LCPAA as a relatively young and developing PAO has been given the responsibility for conducting CPD program and professional examination for CPA certification, and conducting Investigation and Disciplinary (I&D) system with the Ministry of Finance. The Law requires all professional accountants—including Lao CPAs, to be a member of LCPAA, complete LCPAA’s certification program, and renew practicing license by CPD requirements.

\(^1\) https://www.worldbank.org/en/country/lao/overview
the challenge in meeting our stakeholders’ expectations. With only 4 full-time staff, we continue our efforts to build our capacity to serve, starting from strengthening of our organisational structure, governance, and sustainability. Cooperation with and support from key stakeholders is a key element contributing to our success in building LCPAA as the prominent Lao PDR PAO. This comes from local stakeholders such as our Ministry of Finance, to regional and international stakeholders such as AFA and IFAC.

From 2015 to 2018, we have gradually increased our membership figures from 114 to 291. As the economy grows, interest shown to the profession is steadily growing. Stakeholders starts to recognise the important role of the profession, and our contribution to the growing Lao PDR’s economy.

<table>
<thead>
<tr>
<th>Membership</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary</td>
<td>51</td>
<td>90</td>
<td>120</td>
<td>147</td>
</tr>
<tr>
<td>Associate</td>
<td>4</td>
<td>6</td>
<td>32</td>
<td>64</td>
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<td>Firm</td>
<td>59</td>
<td>73</td>
<td>76</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>114</td>
<td>169</td>
<td>228</td>
<td>291</td>
</tr>
</tbody>
</table>

*LCPAA Membership (as at 31 December 2018)*

I believe one of the factors contributing to the increasing membership figure is regional recognition towards Lao PDR and the Laotian accountants. As a Primary Member of AFA, we are actively working with our fellow PAOs in the region and development agencies such as the World Bank. Our collaboration with AFA, the World bank, and the Malaysian Institute of Accountants (MIA) in 2016 to support IFRS transition in the country is an example of such initiative. It was also an avenue for LCPAA to build our capacity to work with different stakeholders and further enhance our position as representation of the Lao PDR accountancy profession.

**Our Journey Towards Global Recognition**

During my tenure as the AFA President, we established the AFA Strategic Plan 2016-2019: Building Regional Capacity, Supporting Global Endeavours (“Plan”). One of the strategic objectives identified is to support and facilitate AFA PAOs’ capacity building and membership, through among others, facilitation of PAOs’ aspiration for IFAC membership. AFA recognises the IFAC membership, particularly through fulfilment of the IFAC Statements of Membership Obligations (SMOs), as a mark of quality for a PAO. For LCPAA, it was an aspiration and the right step towards our journey to become a
developed PAO for the Laotian accountancy profession.

Sponsored by ACCA as one of the AFA Associate Members, we conducted our assessment of LCPAA’s capacity in meeting the IFAC membership criteria and the SMOs. It was an excellent exercise for any PAO who seeks to determine and benchmark their capacity, particularly in the context of the seven SMOs. It was also an assessment of our role as a PAO and relation with stakeholders in the country, particularly those who we shared responsibilities in adoption and implementation of standards with. All in all, it was an eye-opening and exciting exercise that I would recommend to PAOs considering or aspiring to be a member of IFAC.

Following our proposal submission in 2018, at the 2019 IFAC Council meeting in Vancouver on 13 November 2019, LCPAA was admitted as an IFAC Associate. Witnessed by 200 representatives of PAOs and relevant stakeholders from around the world, it was a culmination of our journey to put the Lao PDR accountancy profession in the global map. It was an achievement not only for LCPAA, but also AFA, in our collective efforts in developing the ASEAN accountancy profession.

The Way Forward

The ASEAN accountancy profession continues to grow, as the region gradually making its way towards achieving its potential as one of the world’s largest economic power. The last couple of years has brought many opportunities for the ASEAN PAOs to grow. Progresses can be seen either at PAO level, or collectively in the region. Interest towards the region, reflected among others through the increase activities of foreign professional accountancy bodies in Southeast Asia, is an indicator of how the ASEAN accountancy profession is thriving.

As a former President of AFA, I am excited with our future. I believe under the leadership of President Kon Yin Tong (2018-2019), AFA has made significant progress in realising its aspiration to be the voice of the ASEAN accountancy profession. I trust that this will be continued by President Wan Tin (2020-2021), in executing our plan for 2020-2023. I look forward to supporting his leadership and continue our cooperation with fellow ASEAN PAOs.

Khop Chai.