



**ASEAN Federation of Accountants**



# 2017

## Annual Report

[www.aseanaccountants.org](http://www.aseanaccountants.org)

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## MESSAGE FROM AFA PRESIDENT

My journey as the President of the Federation has officially ended in December 31, 2017. It was a journey of learning, understanding, communicating, and working together with all the elements of the Federation. Throughout the journey I believe we have successfully built the foundation for future successes, particularly to further contribute to the regional development of the profession and economy. Through adoption and implementation of international standards, focus on Micro, Small and Medium-sized Enterprises (SMEs), and capacity building of accountancy bodies in the region, AFA has continued to strengthen the capacity of the profession in supporting regional initiative such as the ASEAN MRA on Accountancy Services.

A key milestone for AFA was the celebration of the Federation's 40<sup>th</sup> anniversary in 2017. As highlighted in the theme of the 20<sup>th</sup> AFA Conference: Local Focus, Regional Experience, Global Exposure, together we continue to focus on local issues that are relevant to the profession, and to identify and access collective regional and global resources available to resolve these issues. I believe that with the support of its members and stakeholders AFA will continue to play an important role in serving the need of the accountants in the region.

My sincerest appreciation to Gerard Ee and Frankie Chia of whom I have shared the honour of serving the Federation with. Also, to the AFA Council and AFA members for their continuous support and appreciation in working together to develop the accountancy profession in the region. I would also like to take this opportunity to thank the stakeholders, including but not limited to ASEAN, IFAC, the IFRS Foundation, and the World Bank Group for the communication and cooperation in together building a stronger profession. Finally, my deepest gratitude for our Executive Director, Aucky Pratama, and the AFA Secretariat, who have been working very hard in ensuring the success of the Federation's projects and activities.

I am deeply honoured to have been given the opportunity to serve the Federation and the profession. I truly believe that together we are moving towards a stronger accountancy profession in the region.

Khop Chai.

**Sonexay Silaphet**

President (2016 – 2017)



## MESSAGE FROM AFA DEPUTY PRESIDENT

In a blink of an eye, my term as AFA Deputy President has come to an end and I am honoured to have represented Singapore in serving as AFA Deputy President for the past two years. As AFA members proudly take turns to host AFA Council meetings, I had been afforded the privilege to witness quick and new economic developments within the region and I must say the speed of growth in ASEAN is amazing!

2017 was a fruitful year as there were many activities in AFA to co-develop the accountancy profession in the region. This was made possible with the mutual trust, close and longstanding friendship that AFA member bodies have enjoyed over the last 40 years. The camaraderie has helped to spin off initiatives to uplift the quality standards of the accounting profession in the region. Take for example, ISCA and Temasek Foundation International (TF Intl) were privileged to be given the opportunity to host 10 senior Lao government officials for a five-day leadership course in Singapore in July 2017. This course is an integral part of the Memorandum of Understanding (MOU) signed between the Institute and the Lao Chamber of Professional Accountants and Auditors (LCPAA) in October 2016 which aims to develop and strengthen the capability of the accountancy sector in Laos. ISCA also inked a MOU with Myanmar Institute of Certified Public Accountants (MICPA) on 27 November 2017 to co-develop the accountancy profession in Myanmar through exchanging expertise, experiences and best practices to support the accountancy profession in Myanmar. Nine of our Singaporean practitioners were excited and joined the ISCA delegation during the MOU ceremony. I was pleasantly surprised to learn that three of them have established links with the practitioners in Myanmar. This is just one of the many ways we can connect accountants and businesses to the rich opportunities in ASEAN.

As the ASEAN region continues to grow exponentially, so will the demand for quality accountancy services. AFA as the regional accountancy body, should educate business leaders especially those in emerging countries, on the value and importance of quality financial statements. The appreciation for reliable and credible financial information by businesses will stimulate the demand for qualified accountants. This in turn, will influence the young to join the profession which goes towards expanding the talent pipeline.

AFA being a Civil Society Organisation in ASEAN, is guided by the ASEAN Vision 2020 of working together in partnership to bring about dynamic development, stability and prosperity in the region. The trust and camaraderie we enjoy in AFA will be our key pillar of success as we work together to achieve the vision of the ASEAN Economic Community.

I would like to take this opportunity to express my most sincere appreciation to my fellow Office Bearers 2016-2017: Mr Sonexay Silaphet and Mr Frankie Chia; Executive Director Mr Aucky Pratama, AFA Secretariat and Council members. Thank you for your unwavering support throughout my term in AFA. I wish AFA the very best in its future endeavours.

### **Gerard Ee**

AFA Deputy President (2016 – 2017)





## MESSAGE FROM AFA EXECUTIVE DIRECTOR

*Local Focus, Regional Experience, Global Exposure*

The 20<sup>th</sup> AFA Conference held in Vientiane marks the Federation's 40-year journey as the umbrella organisation for Professional Accountancy Organisations (PAOs) and accountants in Southeast Asia. It was a landmark celebrated through sharing of regional experiences, driven by exposure to global trends affecting the profession, to address local capacity and development issues that the profession need to focus on.

Throughout the year, several key global trends have helped in reshaping the profession and how its role are being perceived by the stakeholders. New opportunities and challenges due to particularly the advancement of technology, and the rise of Volatility, Uncertainty, Complexity, and Ambiguity are some of the key focus of the profession that further define how it can play its role in contributing to the local, regional, and global economy.

Regionally, AFA also acknowledges the importance of the Micro, Small and Medium-sized Enterprises (SMEs) and the backbone of Southeast Asia economy. The Federation has conducted several activities focusing on Micro and SMEs, and Small and Medium-sized Practices (SMPs). Further reiterating the importance of Micro and SMEs and SMPs, AFA has identified as one of its priorities to be the regional thought leader on these topics. The AFA Research Grant is one of the Federation's key initiatives to ensure that the profession can contribute to these sectors.

Capacity building of local ASEAN member states PAOs and accountants continues to be the key focus of the Federation. Strengthening of the PAOs and accountants is key among others to support the success of the implementation of the ASEAN MRA on Accountancy Services as a regional initiative of the ASEAN member states. We always believe that stronger ASEAN PAOs will lead to a stronger AFA.

My highest appreciation to the AFA Office Bearers 2016-2017. It has been an inspiration to work with Sonexay, Gerard, and Frankie in together leading and working with the AFA members. I wish them the very best in their endeavours.

Terima kasih.

**Aucky Pratama**  
Executive Director



**ABOUT** AFA

## ABOUT AFA



**The ASEAN Federation of Accountants (AFA)** was organised in March, 1977. It was established to serve as the umbrella organisation for the recognised national Professional Accountancy Organisations (PAOs) of the Association of Southeast Asian Nations (ASEAN) member states. At its inception, AFA originally had only five members. These were the national PAOs of Indonesia, Malaysia, Philippine, Singapore and Thailand. Currently, AFA membership comprises of PAOs representing all ten ASEAN member states.

AFA is an accredited Civil Society Organisation of the ASEAN, recognised under the ASEAN Charter.

### VISION

To be globally recognised as the organisation that represents the accountancy profession in the ASEAN region.

### MISSION

To develop and promote the accountancy profession in the region in support of the socio-economic enhancement of the AFA member states.

## OBJECTIVES

AFA was created with the following objectives:

1. Provide an organisation for ASEAN accountants for the further advancement of the status of the profession regionally and globally with the view to establishing an ASEAN philosophy on the accountancy profession;
2. Establish a medium for closer relations, regional cooperation, and assistance among ASEAN accountants;
3. Enhance the continuous development of the accountancy profession in the region through the joint endeavours of accountants representing the ASEAN;
4. Serve the public interest by strengthening and contributing to the development of strong international economies through the joint efforts of AFA member organisations;
5. Further serve the public interest by promoting the adoption and supporting the implementation of international standards on private and public sector accounting, auditing, ethics, and education, as well as the establishment of related quality assurance and enforcement mechanisms;
6. Support AFA member organisations through mutual assistance to build their capacity and become fully effective Professional Accountancy Organisations;
7. Speak out on issues of public interest;
8. Identify and highlight vital challenges affecting the accountancy profession in the ASEAN region and to formulate and promote proposals towards the solution of these challenges;
9. Provide ASEAN accountants with a venue for the exchange of the significant knowledge, ideas and information on the accountancy profession in the ASEAN member states;
10. Elevate the image of the Federation and be recognised as a representative of the ASEAN accountants in their collective dealings with international accountancy and other organisations; and
11. Work in cooperation with ASEAN business professional and other regional groupings whose economic development efforts may be complemented by ASEAN accountants.

## OFFICE BEARERS 2016 – 2017

### Sonexay Silaphet

#### PRESIDENT

Sonexay Silaphet is the President of the ASEAN Federation of Accountants (AFA) for the term of 2016 and 2017 and Vice President of the Lao Chamber of Professional Accountants and Auditors (LCPAA). He is also the Managing Director and founder of SKNP Co., Ltd.

He has 16 years of professional experience as an auditor at the Big Four accounting firms namely PricewaterhouseCoopers (Lao) Limited, and Ernst & Young Lao Limited. He has been a member of the Lao Institute of Chartered Public Accountants (LICPA) since 2000 (currently known as LCPAA) and a member of CPA Australia

since June 2016. He is an active participant in the audit and advisory market in Lao PDR and has extensive experience in auditing, accounting, taxation and advisory services.

Sonexay holds a Master Degree of Business Administration major in Finance from Santapol College, Thailand and Bachelor of Business Administration from Comcenter College. He is currently studying for his Ph.D in Accountancy at Sripatum University, Bangkok, Thailand.



### Gerard Ee

#### DEPUTY PRESIDENT

Gerard Ee is the President of the Institute of Singapore Chartered Accountants (ISCA), and serves as Chairman of the ISCA Executive Committee. Mr Ee is also a Board Member of the Singapore Accountancy Commission, under the ambit of the Ministry of Finance. On an international front, Mr Ee serves as the Vice President of the ASEAN Federation of Accountants (AFA).

Mr Ee is a Fellow Chartered Accountant of Singapore with ISCA. He started his career as an accountant in 1974 and became a public accountant in 1976 until his retirement as a partner of Ernst & Young in 2005.

Possessing a passion for both the community service and corporate sectors, he had served as the President of the National Council of Social Service, National Kidney Foundation and was a Board Member of the Accounting and Corporate Regulatory Authority and Council Member of the Accounting Standards Council. Mr Ee also held chairmanship of the Public Transport Council, Council for Third Age and the Singapore Institute of Management.

Currently, he is the Chairman of the Charity Council, Changi General Hospital and Eastern Health Alliance.



### Frankie Chia

#### TREASURER

Frankie has over 38 years of experience in the accounting and consulting industry. His breadth and depth of practice expertise covers all aspects of audit, tax and business advisory. These include corporate restructuring, mergers, acquisitions, business consultancy, business recovery and insolvency.

As Managing Partner of BDO Singapore, Frankie is responsible for the firm's overall direction and strategy. He plays a key role in driving new business development and the growth across the firm focusing on delivering quality service and value to the clients. Frankie is also dedicated in providing coaching and mentoring and developing leaders across the service lines.

Frankie is a Fellow Member of the Institute of Singapore Chartered Accountants and the Institute of Chartered Accountants in England & Wales. His professional appointments outside the firm include:

- Council and EXCO Member of ISCA
- Board member of Building and Construction Authority, Singapore
- Panel member of the Strata Title Board, Singapore
- Treasurer, ASEAN Federation of Accountants (AFA)



## EXECUTIVE DIRECTOR & AFA HEADQUARTER

Executive Director: **Aucky Pratama**

AFA's Headquarter is the AFA Permanent Secretariat, established in Jakarta with the support of Ikatan Akuntan Indonesia.



## COUNCIL MEMBERS 2017

AFA Council Members are official representatives of the ten AFA Primary Members. Each AFA Primary Member is represented by a maximum of four representatives.

### **BICPA (BRUNEI DARUSSALAM)**

Pengiran Haji Moxsin (President)  
Lee Kin Chee  
Lim Hoon Hui  
Lucy Wong Kie Nyuk

### **MIA (MALAYSIA)**

Salihin Abang (President)  
Dr Nurmazilah Dato' Mahzan

### **KICPAA (CAMBODIA)**

Heng Seida (President)

### **MICPA (MYANMAR)**

Wan Tin (Lead Representative)  
Saw Moe Kyaw  
Win Thin

### **IAI (INDONESIA)**

Prof. Sidharta Utama (Lead Representative)  
Prof Lindawati Gani  
Elly Zarni Husin

### **PICPA (PHILIPPINE)**

Zeraida P. Alcanta (President)  
Estelita C. Aguirre  
Wilson P. Tan

### **LCPAA (LAO PDR)**

Dr Phirany Phissamay (President)

### **ISCA (SINGAPORE)**

Gerard Ee (President)  
Frankie Chia

### **FAP (THAILAND)**

Chakkrit Parapuntakul (President)  
Teerachai Arunruangsirilert  
Jaruwan Ruangswadipong

### **VAA (VIETNAM)**

Dr Dang Van Thanh (President)  
Dr. Nguyen Xuan Thang  
Pham Cong Tham

# *in Memoriam*

**Pengiran Haji Moxsin bin Pengiran Haji Yusof**  
**AFA President (2008 – 2009)**

His contributions to accountants in Brunei Darussalam and Southeast Asia will always be remembered as a legacy for the next generation of accountants.



# PRIMARY MEMBERS

**AFA Primary Members** are the recognised national Professional Accountancy Organisation of the ASEAN member states created under a specific statute or regulation of that particular state, or in the absence thereof, the recognised national organisation of accounting professionals in said state.

## ► Brunei Darussalam

### **Brunei Darussalam Institute of Certified Public Accountants (BICPA)**

Unit 3, First Floor, Block A, Regent Square  
Simpang 150, Kiulap BE1518  
Bandar Sri Begawan  
Brunei Darussalam  
[www.bicpabrunei.com](http://www.bicpabrunei.com)

## ► Cambodia

### **Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA)**

VTRUST Tower, 8th Floor  
St. 169, Sangkat Veal Vong  
Khan 7 Makara, Phnom Penh  
Cambodia  
[www.kicpaa.org.kh](http://www.kicpaa.org.kh)

## ► Indonesia

### **Ikatan Akuntan Indonesia**

#### **(Institute of Indonesia Chartered Accountants – IAI)**

Grha Akuntan, Jl. Sindanglaya No. 1  
Menteng, Jakarta 10310  
Indonesia  
[www.iaiglobal.or.id](http://www.iaiglobal.or.id)

## ► Lao PDR

### **Lao Chamber of Professional Accountants and Auditors (LCPAA)**

349/2 Khumphenmeung Road  
Thongsangnang District  
Vientiane Capital  
Lao PDR

## ► Malaysia

### **Malaysian Institute of Accountants (MIA)**

Dewan Akauntan Unit 33 - 01, level 33  
Tower A, The Vertical, Avenue 3, Bangsar  
South City, No. 8, Jalan Kerinchi, 59200  
Kuala Lumpur  
Malaysia  
[www.mia.org.my](http://www.mia.org.my)

## ► Myanmar

### **Myanmar Institute of Certified Public Accountants (MICPA)**

No. 1/19, Thakhinmya Garden Street  
Ahlone Township, Yangon 11121  
Myanmar  
[www.oagmac.gov.mm](http://www.oagmac.gov.mm)

## ► Philippines

### **Philippine Institute of Certified Public Accountants (PICPA)**

PICPA Building, 700 Shaw Boulevard  
City of Mandaluyong  
Manila, Philippines  
[www.picpa.com.ph](http://www.picpa.com.ph)

## ► Singapore

### **Institute of Singapore Chartered Accountants (ISCA)**

60 Cecil Street  
ISCA House  
Singapore 049709  
[www.isca.org.sg](http://www.isca.org.sg)

## ► Thailand

### **Federation of Accounting Professions of Thailand (FAP)**

133 Sukhumvit 21 Road (Asoke-Montri)  
Klong Toei Nua, Watthana  
Bangkok 10110, Thailand  
[www.fap.or.th](http://www.fap.or.th)

## ► Vietnam

### **Vietnamese Association of Accountants and Auditors (VAA)**

192 Giai Phong Road, Thanh Xuan District  
Hanoi, Vietnam  
[www.vaa.net.vn](http://www.vaa.net.vn)

# ASSOCIATE MEMBERS

**AFA Associate Members** are the recognised bodies of accounting professionals of any ASEAN member states, or international recognised bodies of accounting professionals from other countries which are friendly to and supportive of the objectives of AFA – even though they may be outside the territorial jurisdiction of ASEAN.

## **CPA Australia**

Level 20  
28 Freshwater Place  
Southbank, VIC 3006  
Australia  
[www.cpaaustralia.com.au](http://www.cpaaustralia.com.au)

## **Chartered Accountants Australia and New Zealand (CA ANZ)**

33 Erskine Street  
GPO Box 9985, Sydney  
NSW 2000, Australia  
[www.charteredaccountantsanz.com](http://www.charteredaccountantsanz.com)

## **The Association of Chartered Certified Accountants (ACCA)**

The Adelphi  
1-11 John Adam Street  
London  
WC2N 6AU  
[www.accaglobal.com](http://www.accaglobal.com)

## **The Institute of Chartered Accountants in England and Wales (ICAEW)**

South East Asia Regional Office  
9 Temasek Boulevard  
#09-01 Suntec Tower Two  
Singapore 038989  
[www.icaew.com](http://www.icaew.com)

## **The Malaysian Institute of Certified Public Accountants (MICPA)**

No. 15, Jalan Medan Tuanku  
Kuala Lumpur  
Malaysia 50300  
[www.micpa.com.my](http://www.micpa.com.my)

## **The Japanese Institute of Certified Public Accountants (JICPA)**

4-4-1 Kudanminami Chiyoda-ku  
Tokyo  
Japan 102-8264  
[www.hp.jicpa.or.jp](http://www.hp.jicpa.or.jp)

## **The Association of Accounting Technicians (AAT)**

140 Aldersgate Street  
London  
England EC1A 4HY  
[www.aat.org.uk](http://www.aat.org.uk)



## INTRODUCTION TO NEW AFA ASSOCIATE MEMBER



### THE ASSOCIATION OF ACCOUNTING TECHNICIANS (AAT)

**President:** Nicky Fisher – May 2017 to May 2018

**Vice President:** Vernon Anderson

**Immediate Past President:** Mark McBride

**CEO:** Mark Farrar

**Representatives at the AFA Council Meeting:**

Justin Kyriakou – International Development Manager



Nicky Fisher



Vernon Anderson



Mark Farrar

**AAT** is the world's leading professional body for Accounting Technicians. We work with around 140,000 members in more than 90 countries. Our members are represented at every level of the finance and accounting world, including students, people already working in accountancy and self-employed business owners.

We award practical, skills-based accounting and finance qualifications at three levels, foundation, advanced and professional. These qualifications are industry recognised and demanded by employers. AAT Accounting Technicians are the building blocks of finance teams across all types of organisations, including commerce and industry, government, public services and private practice.

AAT's Accounting Qualifications are the perfect foundation for further training, and generous exemptions to further study are offered by chartered and certified accountancy bodies such as ACCA, CIMA, CIPFA, ICAEW and ICAS. Currently AAT has 14 partnerships or exemption arrangements around the world, including in Hong Kong, Malaysia, New Zealand and Singapore.

AAT is only accounting technician body recognised by the International Federation of Accountants (IFAC) as a full member. This means we comply with IFAC's statements of membership obligations concerning the adoption and implementation of international standards and codes of ethics, and the monitoring and discipline of our members. We are committed to supporting AFA and IFAC in strengthening the profession and helping to develop economies throughout the world by championing the use of skilled, qualified finance professionals.



# **REPORT OF** THE AFA COUNCIL

## 124<sup>th</sup> AFA COUNCIL MEETING

RIZQUN INTERNATIONAL HOTEL, BANDAR SERI BEGAWAN | May 5, 2017



AFA Council and members attended the 124<sup>th</sup> AFA Council Meeting in Bandar Seri Begawan and witnessed the celebration of BICPA's 30<sup>th</sup> anniversary. Despite its relatively small stature, BICPA has been an active member of and contributor to AFA throughout their membership with the Federation. The celebration culminated in the BICPA 30<sup>th</sup> Anniversary National Accounting Forum held back-to-back with the Meeting.

This meeting was historical for several reasons, one of which is the first-time participation of an official representative of the IFRS Foundation Asia-Oceania office. Mitsuhiro Takemura (Director, IFRS Foundation Asia-Oceania Office) presented to the Council key information about the Foundation and its activities particularly in Asia and Oceania. He also highlighted the opportunity to collaborate among others on IFRS for SMEs Standards. This was a realisation of AFA's aspiration to work with key stakeholder in the region on adoption and implementation of international standards, in this case the IFRS Standards.







Another milestone was the appointment of the Association of Accounting Technicians (AAT) into the Federation's Associate membership – AAT is the seventh AFA Associate Members. AFA acknowledges the important role of AAT in developing the accounting technician profession. High demand for qualified accounting technicians to support the growing need of Southeast Asia economy is something that the Federation has identified. With AAT's active participation, AFA is looking forward to strengthening the pool of qualified accounting technicians in the region.

As a realisation of the Federation's priorities, the AFA Council also approved the establishment of the AFA Working Committees on:

1. Adoption and implementation of international standards – led by Kon Yin Tong (ISCA);
2. Thought leadership – led by Prof Sidharta Utama (IAI); and
3. PAOs capacity building – led by Wilson P. Tan (PICPA).



Through these Committees the Federation is looking to focus its initiatives toward the three priorities, identified based on the need and interest of the AFA members and looking at trends that are affecting the profession in the region. The Committees will be working with key stakeholders to identify and conduct prioritised activities.

One collaborative activity conducted by AFA together with MIA, LCPAA, and the World Bank Group is the IFRS transition project in Lao PDR. As reported by Christopher Fabling (Senior Financial Management Specialist, World Bank Group), the project looks to identify current adoption and implementation of IFRS Standards in the country, and establish an implementation blueprint based on the findings. The Bank will also be working with AFA to update the AFA & World Bank Report (2014) on the Current Status of the Accounting and Auditing Profession in ASEAN Countries in 2018.

Finally, an outlook on the World Congress of Accountants 2018 was presented for the first time to the AFA Council. AFA look forward to participating in the Congress and represent the ASEAN accountants.





## 125<sup>th</sup> AFA COUNCIL MEETING

CROWNE PLAZA HOTEL, VIENTIANE | December 9, 2017



The final meeting for 2017 also served as the final meeting under the leadership of AFA Office Bearers 2016-2017. President Silaphet, Deputy President Ee, and Treasurer Chia departed from their respective post at the end of the year, leaving behind a legacy of significant progresses that has further strengthened the Federation's regional role for the profession. This was reflected in a presentation made by President Silaphet during the 20<sup>th</sup> AFA Conference, held in conjunction with the meeting.



Effective January 1, 2018 AFA leadership consists of President Kon Yin Tong (ISCA), Deputy President Wan Tin (MICPA), and Treasurer Prof Chan Yoke Kai (ISCA). They were not the only new faces at the meeting as the AFA Council also welcomed among others the new President of MIA, Salihin Abang.

The Council reflected on AFA's journey throughout 2017. AFA continues to strengthen its internal governance and capacity, through introduction of among others relevant and up-to-date KPIs, activities to support the Federation's regional initiatives, and more importantly, reiteration of AFA's role as the region's representation of the profession. In achieving this AFA has explored avenues of collaboration with key stakeholders. The IFRS transition plan project with the World Bank Group in Lao PDR reflects this, as acknowledged by Christopher R Fabling of the World Bank Group. AFA will seek to work with the Bank to implement similar arrangement in other ASEAN countries.



The presence of Sylvia Tsen (Director, IFAC) is one of a realisation of the Federation's aspiration to strengthen its cooperation with IFAC. She provided several key updates on IFAC's activities and consultation such as IFAC activities and resources on SMPs, various tools, guidance and supports available in the IFAC website including the Global Knowledge Gateway, IFAC's 2018 work plan for SMEs and SMPs, and the PAIB activities. AFA shared a strong interest with IFAC on developing SMPs and supporting SMEs. The Federation also acknowledged the importance of working together with IFAC in strengthening public awareness towards resources available for public on the IFAC website.

AFA was also honoured with the first-time participation of an IASB member. Representing the IFRS Foundation (and IASB), Takatsugu Ochi's visit to Lao PDR was also a first for the Board. He shared key information about the IFRS Foundation and its activities, with focus on the Southeast Asia region, and information on the Foundation's current interaction with the region, particularly through the Asia-Oceania Standard-Setters Group (AOSSG) and the Emerging Economies Group (EEG). AFA particularly through AFA Working Committee 1 will continue to work on various activities promoting adoption and implementation of international standards in ASEAN countries.

The meeting was concluded with a presentation on the AFA Research findings, presented by Dr Harun and Dr David Carter of the University of Canberra. The researchers highlighted some key findings, particularly the array of variables used by ASEAN countries in defining SMEs, and how PAOs can support SMEs to achieve their potential. The AFA Research will be finalised in the first semester of 2018.



## AFA WORKING COMMITTEE

At the 124<sup>th</sup> AFA Council Meeting in Bandar Seri Begawan (May 5, 2017) the AFA Council has approved AFA Resolution No.124-5-2017 on the establishment and leadership of the AFA Working Committee. Establishment of the AFA Working Committee is a realisation of the AFA's aspiration to strengthen collaborations with the AFA members and key stakeholders. Taking into consideration the latest trend and development affecting the profession, the AFA Council recognised the need to increase their collaborative efforts on the three key priorities that are relevant not only to AFA members, but also stakeholders and the ASEAN region in general.

Adoption and implementation of international standards, thought leadership on SMEs and Small and Medium-sized Enterprises (SMPs), and Professional Accountancy Organisations (PAOs) capacity building are three fundamental components that AFA believes can further elevate the potential of the accountancy profession and economy in the region. Acknowledging the importance of building a strong and diverse pool of expertise and experience, membership of the Committee is open to stakeholders and experts outside of the AFA members.

### AFA WORKING COMMITTEE 1 – Adoption and Implementation of International Standards

AFA Working Committee 1 focuses on efforts in leading, encouraging, and contributing to adoption and implementation of international standards in the ASEAN member states. These efforts are looking into not only IFRS Standards (and IFRS for SMEs Standards), but also standards that govern the accountancy profession such as Code of Ethics, auditing and assurance engagement, quality control, accounting education, and public sector accounting standards. This Committee is taking over the function of the AFA Accounting Standards Group, previously established to look at various accounting standards issues in the ASEAN member states.

Adoption and implementation of international standards are recognised as key elements in supporting harmonisation of not only the profession but also regional and global business and economy. Regional integration has been and will continue to be a key priority in Southeast Asia, under the many regional initiatives of the ASEAN.

### AFA WORKING COMMITTEE 2 – Thought Leadership

AFA aspires to be a regional thought leader on issues that are relevant not only to the profession but also the bigger ASEAN economy. In this spirit, the Federation recognises that discussions on Small and Medium-sized Enterprises (SMEs) issues in the region particularly those that also include the role of the accountancy profession are limited. As the backbone of the region's economy, SMEs need to be further supported by stakeholders including the accountancy profession.

AFA also recognises the important role Small and Medium-sized Practices (SMPs) in among others supporting the region's micro and SMEs. Through publication, events and activities, and resource sharing, the Committee will continue to explore different avenues of cooperation and collaborations with relevant stakeholders.

### AFA WORKING COMMITTEE 3 – PAOs Capacity Building

AFA's role as the umbrella organisation for Professional Accountancy Organisations (PAOs) requires the Federation to focus on developing the capacity of its members. Capacity building of AFA member organisations who represent the accountancy profession of ten ASEAN member states has been and will continue to be AFA's main priority. AFA continues to seek further collaborations between the AFA members, and with key stakeholders who share the same objectives of building the capacity of the accountancy profession in the region.

In the bigger picture, capacity building of ASEAN PAOs will strengthen the profession's contribution to the ASEAN economy, providing stronger accountability and capability to adapt to the many opportunities and challenges that continue to reshape the region.



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### AFA Working Committee 1

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**Kon Yin Tong**  
Chair



**Rosita Uli Sinaga**  
Deputy Chair



**Prof. Wipada  
Tantiprabha**  
Member



**Sanskrit Vichitlekarn**  
Member



**Simon Tay Pit Eu**  
Member



**Chiew Chun Wee**  
Member



**Wilson P Tan**  
Member

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### AFA Working Committee 2

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**Prof. Sidharta Utama**  
Chair



**Mark Billington**  
Member



**Samantha Chan**  
Member



**Geraldine Magarey**  
Member



**Joseph Alfred**  
Member



**Foo Yoke Pin**  
Member



**Tomoe Watasiba**  
Member

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### AFA Working Committee 3

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**Wilson P Tan**  
Chair



**Dr. Nurmazilah Dato' Mahzan**  
Deputy Chair



**Sonexay Silaphet**  
Member



**Joyce Tang**  
Member



**Prof. Lindawati Gani**  
Member



**Wan Tin**  
Member



**Moe Kyaw**  
Member



**Vu Manh Hai**  
Member



**Priya Terumalay**  
Member



**Habiba Zaidi**  
Member



**Mark Campbell**  
Member



**Kimsopheaktra Ung**  
Member



## AMENDMENTS TO AFA CONSTITUTION & AFA BY-LAWS

The AFA Constitution & By-Laws was originally established in March 12, 1977 when the AFA Council first met in Bangkok. At its inception, the document highlighted the Federation's vision and aspiration to bring together ASEAN accountants under a cooperative collaboration and create a stronger accountancy profession in the region. Throughout the years several amendments have been made to the document, highlighting the many developments affecting the profession and more importantly, the ever-growing economy of Southeast Asia.

At the 125<sup>th</sup> AFA Council Meeting (Vientiane, December 9, 2017), the AFA Council proposed further amendments to the AFA Constitution and By-Laws. Through these amendments AFA further strengthen its position as the regional organisation representing the accountancy profession of Southeast Asia, in line with the Federation's vision – to be globally recognised as the organisation that represents the accountancy profession in the ASEAN region, and mission – to develop and promote the accountancy profession in the region in support of the socio-economic enhancement of the ASEAN member states.

### AFA as the Region Umbrella Organisation for ASEAN PAOs

Approved as a resolution at the AFA Strategic Meeting (Bangkok, January 20, 2018), the amendments provide different associate membership admission criteria for Professional Accountancy Organisations (PAOs) based on the PAOs country of origin. PAOs based in any of the ASEAN member states are now required to be an IFAC Associate (previously IFAC Member) in addition to other criteria that need to be satisfied. Criteria for PAOs to be an IFAC Member is still maintained for those from outside of the territorial jurisdiction of ASEAN. The amendments are also reflected in the AFA Associate Membership Guideline, a document used as the basis for any PAOs with interest to become an Associate Member of AFA.

AFA acknowledges the importance to be inclusive in considering all PAOs in the region that share the same objectives of further strengthening the role of the profession in supporting economy in the region. Factor such as the implementation of the ASEAN Mutual Recognition Arrangement (MRA) on Accountancy Services as a realisation of the ASEAN Economic Community further driven the need to bring together all PAOs in the region under the umbrella of the Federation.

Both the AFA Constitution and AFA By-Laws (2018), and the AFA Associate Membership Guideline are available for download in the AFA website: **[www.aseanaccountants.org](http://www.aseanaccountants.org)**.





**AFA** ACTIVITIES

## INDONESIA SUPREME AUDIT INSTITUTION SYMPOSIUM 2017

Indonesia Supreme Audit Institution Education and Training Centre | Jakarta - February 9, 2017



AFA was invited by the Education and Training Centre of the Indonesia Supreme Audit Institution to attend its second Learning Innovation Symposium, held in Jakarta on February 9, 2017. The Symposium is the Institution's endeavour in encouraging public sector accountants and auditors to seek continuous innovation in developing the profession. In his opening speech, the Chair of the Institution, Harry Azhar Azis, highlighted the importance of the Symposium in particularly strengthening the Institution's capability in adapting to the ever changing and challenging environment in Indonesia.



The Symposium was also attended by Member of the Institution, Dr Moermahadi Soerja Djanegara, Chair of the Institution's Education and Training Centre, Dwi Setiawan Susanto, and representatives of foreign and development bodies in Indonesia such as CPA Australia, ACCA, and GIZ. Highlighting the regional flavour of the event, representatives of the State Audit Organisation of the Lao PDR were also in attendance as part of their cross-border study activities in Indonesia.

The key highlight from the Symposium was presentations made by selected participants on proposed innovations to be implemented by the Institution. These innovations are key not just in improving the public sector audit practice but also in contributing to the body of knowledge of the accountancy profession in Indonesia. Past AFA President and IFAC Council Member, Ahmadi Hadibroto and IAI Council Member, Prof Lindawati Gani were among the judges participated in the Symposium.

AFA's participation in the Symposium is one contribution towards fulfilment of the Federation's objective to build a relation and communicate with relevant regulators in the region. Also, to identify and explore public sector accounting issues that might be relevant for countries in the region.



## BICPA 30<sup>th</sup> ANNIVERSARY NATIONAL ACCOUNTING FORUM

Rizqun International Hotel | Bandar Seri Begawan - May 6, 2017

Celebrating its 30<sup>th</sup> anniversary, BICPA supported by AFA and ACCA hosted the BICPA 30<sup>th</sup> Anniversary National Accounting Forum, focusing on emerging issues and challenges for accountants and SMEs. The focus on SMEs is in line with the Brunei Darussalam Accounting Standard Council's plan to adopt a set of standards (BDAS) for non-public interest entities and SMEs in the country. Moreover, the introduction of the Record Keeping (Business) Order in 2015 further driven businesses to maintain financial records and required them to employ an accountant or outsource the function.

The forum discussed topics such as advances in the development of accounting education, the future of the accountancy profession and the accounting industry, IT and its role in accounting practice, accounting practices of SMEs and services to SMEs, effects of BDAS (Non-PIE) adoption on SMEs financial reports, capacity building and accounting skills for the development of SMEs, and the role of stakeholders in the implementation of BDAS for SMEs.

To mark its 30<sup>th</sup> anniversary, BICPA also launched its 30<sup>th</sup> Years Anniversary Book, highlighting the Institute's achievements throughout its existence.





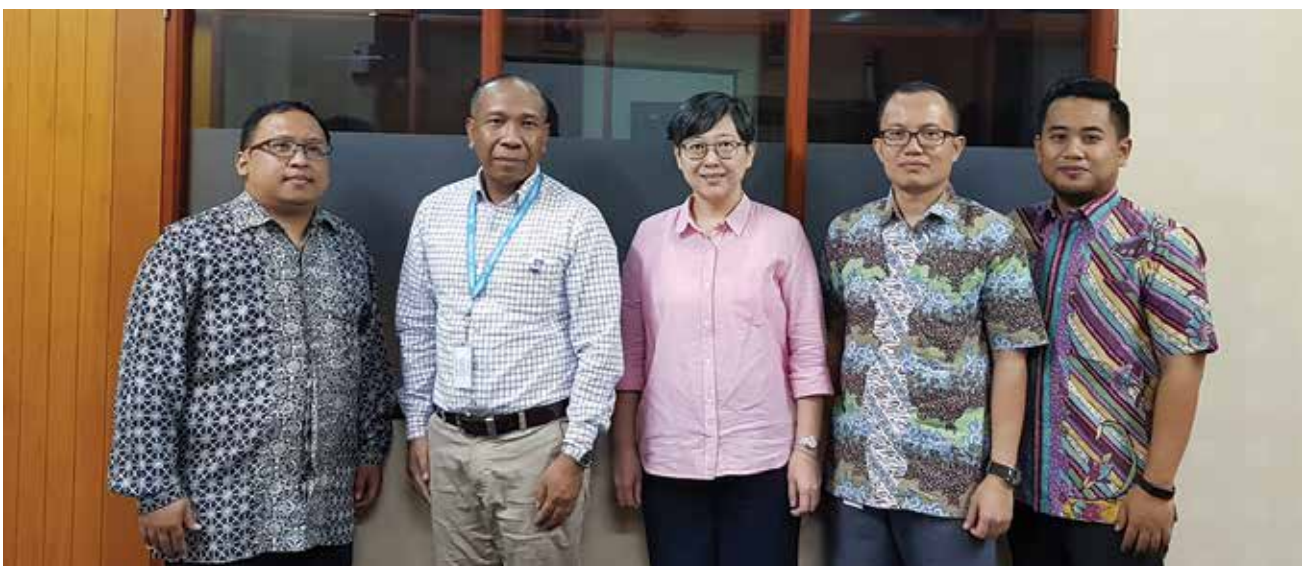
## UNIVERSITY OF CANBERRA RESEARCHER VISIT

AFA Secretariat | Jakarta - July 5, 2017

Representative of the University of Canberra researchers as the recipient of the AFA Research Grant, Dr Harun, visited the AFA Secretariat in Jakarta on July 5, 2017. The visit is part of the researchers' activity to conduct interview and information gathering from key stakeholders in the region. In his visit, Dr Harun also met in person representatives of IAI and SMEs practitioners in Indonesia.

The discussion focused around SMEs environment in Indonesia, current challenges faced by SME practitioners, and the role of key stakeholders such as Professional Accountancy Organisations (PAOs) and Small and Medium Practices (SMPs). One of the key findings from the discussion is the importance of financial literacy as the fundamental element in defining the level of SMEs' participation towards improving their financial reporting, in addition to Government's role in supporting SMEs through regulation and incentives.

In addition to Indonesia, the researchers also visited Thailand, Malaysia, and Singapore. The AFA Research report will be published in early 2018.



Melia Hanoi | Hanoi - July 14-15, 2017



IFAC and the Vietnam Association of Certified Public Accountants (VACPA) co-hosted the IFAC Statements of Membership Obligations Workshop in Hanoi on July 15, 2017. Taking the theme of Realising the Power of PAOs: Credibility, Competency, and Collaboration, the Workshop provided an opportunity for PAOs and key stakeholders such as IFAC, the World Bank, the Asian Development Bank, and other regional and international accountancy bodies to share and learn key success stories and challenges in implementing standards and best practices across different areas relevant to the profession.

Executive Director Pratama made a presentation on behalf of AFA on the harmonisation of the accountancy profession in the ASEAN Economic Community. The presentation provided an overview of AFA, its members and activities, key progress made in the last couple of years, and its aspiration to be recognised as the regional body representing accountants in Southeast Asia.



The Workshop was attended by more than 80 representatives of IFAC, AFA, development bodies (i.e. the World Bank and the Asian Development Bank), CAPA, PAOs from Southeast Asia and neighbouring countries, and international accountancy bodies. All ten Primary Members of AFA and some of the AFA Associate Members were represented in the Workshop.

In her presentation, Kathryn Byrne, Chair of the IFAC Compliance Advisory Panel, highlighted the important role that IFAC and regional bodies in supporting development of PAOs including in the ASEA region. Echoed by Deputy President Ee in his participation at the panel session on supporting PAOs in the ASEAN region, the session underlined the need for PAOs to collaborate with each other and communicate with their stakeholders to further build stakeholders' awareness towards the role of the accountancy profession in supporting the economy.





The main agenda of the Workshop was the three discussion sessions on; 1) standards and enforcement (i.e Quality Assurance, Investigation and Discipline, ISAs, and IESBA Code of Ethics), 2) Building a successful PAOs (institutional capacity, advocacy, and engaging with key stakeholders), and 3) PAO relevance (supporting Professional Accountants in Business, Public Financial Management, and advocacy for SMPs and SMEs). Participants actively discussed some of the key issues and challenges faced by PAOs in the region, possible solutions that can be considered, and what stakeholders such as IFAC and development bodies can do to support PAOs in dealing with the issues.

In addition to the workshop, AFA was also invited to present in front of the IFAC Compliance Advisory Panel during its meeting in Hanoi (July 14, 2017). This was the second presentation made by the Federation to the IFAC CAP, following the first presentation made in 2013 under the leadership of then AFA President, Kuy Lim (KICPAA). Supported by Executive Director Pratama, Deputy President Ee provided an overview of AFA, its member organisations, AFA recent activities, and some of the collaborations between the AFA member organisations to the Panel. Deputy President Ee also informed the Panel of the ASEAN MRA on Accountancy Services as the latest major development in the region affecting the accountancy profession.

IFAC management also referred to AFA's application to be considered as an IFAC Regional Organisation representing Southeast Asia region, particularly how AFA can play an important role in ensuring fulfilment of the IFAC SMOs by the AFA member organisations.

AFA were welcomed by Kathryn Byrne and Antonio Flores as the Chair and Deputy Chair of the IFAC CAP, members of the Panel, Arjuna Herath as the Chair of IFAC PAO Development Committee, and the IFAC management.

## IFRS TRANSITION PROJECT IN LAO PDR

Vientiane July - August 2017




AFA in collaboration with the World Bank Group, MIA, and LCPAA embarked in a two week mission in the Lao PDR. The mission is part of the joint project on supporting the IFRS transition plan in the Lao PDR. The objective of the mission was to complete the IFRS gap analysis fieldwork, through discussions with key stakeholders including relevant regulators, selected major companies and their respective advisors (and auditors).

The project is part of the World Bank Group's Financial Sector Integration Work Stream, focusing on support to developing countries in the Southeast Asia region. It is funded by a Korea Trust Fund and World Bank's Kuala Lumpur Office program. AFA was represented by Executive Director Pratama.

As a follow up to the first visit to Lao PDR in December 2016, and a realisation of the Lao PDR stakeholders' commitment to support the project, an IFRS Steering Committee has been established under the Ministry of Finance of the Lao PDR, consisting of representatives of key stakeholders in the country. The Committee will be expected to lead the Lao PDR stakeholders in embarking in the IFRS implementation journey.





Through understanding the financial statement preparation processes used by selected entities', and discussions with key personnel who are involved in the preparation of the reports, the team obtained a better understanding of the key issues for the IFRS transition process and identified the common challenges relevant to regulators and preparers, and specific challenges affecting the different sectors such as banking, insurance, and public interest entities.

### Some of the key findings were:

- 1 The need for capacity building for key stakeholders involved in the implementation, including but not limited to; regulators (with supervisory role), preparers (with emphasis on decision makers / senior management), and practitioners supporting the industry (e.g. advisors, auditors, valuers, etc).
- 2 The importance of identifying varying requirements in the regulations including those potentially conflicting with IFRS requirements. Regulators need to work together to create an environment that can better facilitate implementation of international standards for improving the quality of financial reporting.
- 3 The need for stakeholders to come up with a strategic IFRS transition plan that will include details on a feasible transition timeframe, the budget required, and a step-by-step plan of activities required to move towards full compliance with IFRS. Regulators will also need to require entities, particularly PIEs within their sectors, to come up with their own IFRS transition plans which can be used to monitor progress.

Preparation for IFRS implementation in banking, insurance, and publicly listed companies was the focus for the mission. Only a very limited number of entities in the Lao PDR either have or in the process of transition to IFRS. Sharing these entities' implementation journey to date would be a great learning opportunity for other stakeholders, so they can be better prepared for the many challenges that are likely faced in building the right infrastructure to support the implementation of IFRS.

Specific accounting issues such as employee benefits, financial instruments, consolidation, and implementation of fair value accounting have been identified as some of the key technical issues commonly faced by most entities.

Lao PDR as a relatively small and still developing country which needs to also build its technical resources, including local human resources that can support the implementation process. The role of national PAO LCPAA, with support from PAOs in the region and AFA as the regional body, is important in ensuring that accountants are well equipped with the latest and up-to-date knowledge and expertise, particularly in the application of international accounting and auditing standards. LCPAA is currently embarking in several agreements for example with FAP, in building the IFRS capacity in the Lao PDR.

As part of the project, an IFRS Conference hosted by the World Bank will also be held close to the 20<sup>th</sup> AFA Conference in Vientiane, with the objective of providing opportunity to disseminate more broadly key findings and recommendations to both local stakeholders and interested parties from the ASEAN region.

Based on the findings, a set of case study based training materials will be developed, focusing on transition to IFRS in banking, insurance, and publicly listed entity sectors in the Lao PDR. A series of Train-the-trainers programs will then be held using these materials, aimed at representatives from selected key stakeholders of the Lao PDR. AFA will work together with the World Bank to make the training materials are also available to AFA member organisations.

AFA seeks to continue its communication with the World Bank Group and other development bodies to explore potential collaborations in capacity building initiatives in the region. The success of this project will hopefully build the foundation for future implementation of similar collaboration model between AFA member organisations and development bodies, thereby contributing to the development of the profession in developing countries in the ASEAN region.

## IAI ASPIRING PROFESSIONAL ACCOUNTANT FESTIVAL 2017

Indonesia Stock Exchange | Jakarta - October 14, 2017



AFA supported the hosting of the IAI Aspiring Professional Accountant Festival 2017 (APA Fest 2017), the first career fair event hosted by IAI in Jakarta on October 14, 2017. Attended by more than 1,500 participants, speakers, and exhibitors, APA Fest 2017 has successfully linked prominent employers in Indonesia with potential students from around the country.



Held at the Main Hall of the Indonesia Stock Exchange, this event is a prime example of a collaboration between IAI as the recognised local PAO, the Indonesia Stock Exchange as a key stakeholder of the profession, and key public and private institutions such as the Supreme Audit Agency, the State Development Audit Agency, Bank Mandiri, GE Indonesia and the Big 4 accounting firms who all participated as exhibitors in the event.

Held as part of IAI's 60<sup>th</sup> anniversary, APA Fest 2017 also provides opportunities for IAI members to fulfil their CPD obligations through many free professional education and training activities on issues such as Sharia accounting standards and the latest update of the IFRS-based financial reporting standards in Indonesia. IAI also hosted scholarship exams for its CA Indonesia qualification, and provided ample of information on various certifications offered by the Institute.

AFA Executive Director Pratama participated in the event as a moderator of one of the talk show topics. The Future of Accountants: Local Focus, Regional Integration, Global Recognition was the topic of choice, presented by Prof Sidharta Utama (Board Member of the IFAC IAESB, National Council Member of the IAI) and Danil S Handaya (Vice Chairman of the Indonesia Accounting Standards Board, Partner of E&Y Indonesia). In his presentation, Prof Sidharta highlighted the importance of a standardised local qualification that is both globally integrated and recognised. PAO plays an important role in facilitating accountants in the country to be better equipped and linked with the latest update affecting the profession. Supporting this argument, Danil added that big accounting firms that are globally linked and integrated require accountants that are ready to participate and compete in a global environment.

Other topics were also discussed by other speakers such as on the role of professional accountants in the digital era, tips on how accountants can succeed in improving its entrepreneurial capacity and the rise of start-ups and how accountants can play an important role in participating in and supporting the vastly evolving new form of business.

The success of this event most certainly will lead to the hosting of the next APA Fest in the future. Positive responses received from both employers and future accountants highlighted the need to facilitate both parties in exploring potential future professional cooperation. PAO can play an important role in ensuring that future accountants are equipped with the necessary skill sets and the right qualification that is locally and globally recognised. In the regional context, PAOs in the region could perhaps explore the possibilities of co-hosting similar events that could link up employers with future accountants in the region.

## MIA CONFERENCE 2017

Kuala Lumpur Convention Centre | Kuala Lumpur - November 7-8, 2017



Attended by a record of more than 3,000 delegates from commerce and industry, public sector, public practice and academia, MIA successfully hosted its flagship conference – the MIA International Accountants Conference 2017 at the Kuala Lumpur Convention Centre on November 7-8, 2017. AFA is a supporter of the Conference. Focusing on the trending theme of digital and technological disruption, particularly on how this is not only affecting but also transforming the accountancy profession, the Conference delivered 16 sessions looking at critical trends and developments affecting MIA members and delegates from all segments of the profession, ranging from digital disruption to technology integration to macro geopolitical issues, as highlighted by MIA Chief Executive Officer, Dr Nurmazilah Dato' Mahzan.

Officiated by the Deputy Minister (Trade), Ministry of International Trade and Industry, YB Datuk Chua Tee Yong, more than 50 prominent speakers, both local and global, shared their views and insights into the accountancy profession, focusing on different issues affecting the business environment today. Among the issues discussed were tax opportunities and challenges in the digital economy, impact of the new financial reporting standards on revenue from contract with customers on certain industries, cyber threats, and mapping talent development for digital competency environment.



Among the speakers participated in the Conference are Minister in the Prime Minister's Department, YB Senator Datuk Paul Low Seng Kuan, Bank Negara Malaysia Deputy Director, Islamic Banking and Takaful Department Dr. Hamim Syahrul Ahmad Mokhtar, Professional Squash Player and eight-time World Champion Datuk Nicol David, The World Bank Lead Economist Dr Richard Record, Royal Malaysian Customs Department Director General Dato' Sri Subromaniam Tholasy, and Cradle Fund Sdn Bhd Group Chief Executive Officer Nazrin Hassan.

MIA continues to set the benchmark for an international accountancy event not only in the region, but also all over the world. This sets a positive example particularly for PAOs in the region, to work together in bringing the spirit of the Conference into an even bigger regional event in the future.

## ASEAN PRIVATE SECTOR (MSME) OUTREACH WORKSHOP

Hotel Gran Mahakam | Jakarta - November 27, 2017

AFA was invited by the Deputy Secretary General of ASEAN (ASEAN Economic Community – AEC), Dr Lim Hong Hin, to participate in the ASEAN Private Sector Micro, Small and Medium Enterprises (MSMEs) Outreach Workshop on ASEAN Economic Community. Conducted in Jakarta on November 27, 2017, this workshop was supported by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). Representing the AFA President, Executive Director Pratama participated in the workshop on behalf of the Federation.

The Workshop was intended as a sharing session of the proposed engagement mechanism as prepared by a team on consultants to strengthen the ASEAN Secretariat's role in coordinating key AEC initiatives, particularly those aimed at MSMEs. Also, to seek stakeholders' feedback on the proposed mechanism and invite the stakeholders to share their organisations' insights and experience in conducting outreach to their respective members. Representatives of chambers of commerce, MSMEs, associations of employers and entrepreneurs, from the ASEAN member states are amongst the stakeholders sharing their experience to the participants.

AFA shared its initiatives and activities on SMEs and SMPs. The AFA Research on SMEs and SMPs got the attention of the participants, as variation of parameters defining SMEs in the region was acknowledged as a common issue that most stakeholders need to deal with. AFA also reiterated the importance for the ASEAN Secretariat to strengthen its communication and work together with the private sectors.



The proposed mechanism consisted of strategies such as; 1) establishment of inter-divisional committee within the ASEAN Secretariat to better coordinate communication between the different divisions and ASEAN bodies, 2) enhancement of ASEAN Secretariat presence in each ASEAN member states by enhancing existing partnerships, 3) the use of latest and up-to-date social media as a platform for two way communication between the ASEAN Secretariat and its key stakeholders, 4) establishment of a user friendly institutionalised feedback channels to reach the right person/division in the ASEAN Secretariat, 5) customisation of approach to cater for different culture (including language), 6) maintain and further improve road show activities to reach stakeholders, 7) develop a native or progressive app to consolidate communication channels and resources available for the ASEAN stakeholders. This workshop is an opportunity for AFA to enhance its communication with the ASEAN Secretariat, and establish new bonds with key associations relevant to the profession such as the different chamber of commerce, and GIZ as a potential collaboration partner in the development of the profession in the region.



## 20<sup>th</sup> AFA CONFERENCE

Crowne Plaza Hotel | Vientiane - December 9, 2017



AFA successfully hosted the 20<sup>th</sup> AFA Conference in Vientiane on December 8, 2017, together with LCPAA. The Conference was held back-to-back with the 125<sup>th</sup> AFA Council Meeting (December 9, 2017), and is a celebration of the Federation's 40<sup>th</sup> anniversary.

Taking the theme of Local Focus | Regional Experiences | Global Exposures – IFRS Adoption and Financial Reporting Quality: Regional and International Experiences for Local PIEs and SMEs, the Conference was held in Lao PDR to contribute to the development of the accountancy profession in the country, through regional experience sharing and exposure to global standards and best practices. More than 200 confirmed attendees from Lao PDR and some neighbouring countries participated in the event, making it one of the biggest accountancy events in the country. The Conference was opened by H.E. Adsaphangthong Siphandone, the Vice Minister of Finance. In his opening speech he encouraged the Lao PDR stakeholders to learn from other countries experiences, success stories and efforts in dealing with challenges in their IFRS journey. He also highlighted the need for stakeholders to start looking at the SMEs – on what need to be done to build their (micro entities included) financial reporting capacity. Both AFA and LCPAA Presidents echoed this message.



In his opening remark, AFA President, Sonexay Silaphet also presented a short clip of AFA's 40 years journey, highlighting some of the keys activities of the Federation since its inception to the current year. The presentation showed how AFA has evolved from a group of concerned accountants with an aspiration of a regional cooperation to a grouping of Professional Accountancy Organisations that represent all ten ASEAN member states. It truly shows how important AFA's role is in contributing to the development of the accountancy profession in the region. Participants also witnessed the ceremonial handing over of the AFA leadership, from the current office bearers of 1) President Sonexay Silaphet (LCPAA), 2) Deputy President Gerard Ee (ISCA), and 3) Treasurer Frankie Chia, to the incoming office bearers of 1) President Kon Ying Tong (ISCA), 2) Deputy President Wan Tin (MICPA), and 3) Treasurer Prof Chan Yoke Kai. With exception of the Treasurer role (to be effective later in the year), the new office bearers will take office effective January 1, 2018. AFA President, Sonexay Silaphet in front of the audience thanked the AFA Council, AFA members, AFA Executive Director and Secretariat for their cooperation and support throughout his term of office. The Conference also witnessed the MoU signing between LCPAA and MIA, an example of cooperation between the AFA member organisations.



The Conference focused on the three important and relevant topics not only for Lao PDR accountants, but also those in the region. They are; 1) IFRS transition in Lao PDR, 2) Legal and institutional environment – Enhancing the quality of financial reporting for PIEs and SMEs, and 3) Role of PAOs in supporting quality of financial reporting. In total, close to 20 national, regional, and global speakers shared their thoughts, insights, and experiences focusing on updates of and key issues affecting the accountancy profession today.

The first key discussion of the Conference is part of the current collaborative project between AFA, The World Bank Group, MIA, and LCPAA on IFRS transition in the country. It served as an opportunity to share the project findings to the general audience and for each stakeholder, including those in the country, to share their thoughts and views on IFRS adoption and implementation in Lao PDR. Highlighted in this session was how more need to be done, particularly in term of building the capacity of the stakeholders and establishing clear action plans to ensure a successful adoption and implementation of the Standards.

A historical landmark not only for AFA, but also Lao PDR was the participation of IASB Board Member, Takatsugu Ochi. It was the first time for an IASB Board Member to visit Vientiane and shared some key updated of the IFRS Standards, with special focus on IFRS for SMEs Standards. In his presentation, he acknowledged how the IFRS Foundation (IASB) need to and aspire to do more for their constituents in the Southeast Asia region. Takatsugu Ochi also conducted a short workshop to around 40 LCPAA members to talk in details about some of the latest IFRS Standards in the following day.





A key highlight from the second discussion was a presentation from the University of Canberra researcher, Dr David Carter representing the recipients of the AFA Research Grant, on the current findings of the research. Dr Carter highlighted how the varied definitions of SMEs implemented in the region, with some variations even in a single country, brought a set of challenges in term of regional economic integration. He also shared some key findings of the research particularly on the role of accountants and accountancy bodies in supporting the SMEs.

Finally, the last discussion of the day looked at some of the efforts that have been done by accountancy bodies to enhance the quality of financial reporting in their respective countries. Lim Ju May of ISCA presented key highlights of the Micro Accounting Model, a publication supported by AFA, to the participants. Participants acknowledged how the Model can serve as an alternative to be considered in establishing guidance for SMEs and micro entities in preparing their financial statements.

Throughout its journey, AFA has successfully raised the importance for PAOs in the region to work together and collaborate, to contribute to the development of the accountancy profession in Southeast Asia. Cooperation with key stakeholders such as The World Bank Group is also important, in further elevating the efforts to continue in the build-up process. As such, AFA and LCPAA also supported the hosting of the World Bank Group International IFRS Conference, hosted at the Crowne Plaza Hotel, Vientiane on December 11, 2017. This was part of AFA, MIA, LCPAA, and the Bank's collaboration on IFRS transition in Lao PDR. The 20<sup>th</sup> AFA Conference was proudly supported by ACCA and CA ANZ as the event's gold partners, and JICPA and KPMG Lao PDR as the silver partners. Ernst & Young Lao PDR was also a supporter of the event.



## THE WORLD BANK GROUP IFRS CONFERENCE

Crowne Plaza Hotel | Vientiane - December 11, 2017

AFA supported The World Bank Group in hosting the World Bank IFRS Conference in Vientiane on December 11, 2017. The Conference was part of the collaboration between the Bank, AFA, MIA, and LCPAA on the IFRS transition project in Lao PDR. The project is aimed to support key stakeholders in the country; regulators, listed companies, banks and financial institutions, and Lao accountants in preparing an action plan for the country in adopting and implementing IFRS Standards.



In his opening speech, Christopher Fabling of The World Bank Group reiterated the importance for countries in the region to work together and learn from each other's experience in the adoption and implementation of IFRS Standards. Almost 100 invitees witnessed how some countries in the region have made some progress in the process, whilst others are still at the earlier stages of adoption.

The Conference also welcomed a historical visit from Takatsugu Ochi. It was the first visit from an International Accounting Standards Board (IASB) Member to Vientiane, further highlighting the progress that AFA and LCPAA as the local body has made in establishing network with key stakeholders such as the IFRS Foundation (IASB) with the support of the Bank. He provided some information about the Federation and IASB, their activities particularly in the Asia Oceania region, the IFRS standard-setting process, and some updates on the Standards.

The key agenda of the Conference was two panel discussions focused on different experiences of the ASEAN member states in adopting and implementing IFRS Standards. The first panel, moderated by Takatsugu Ochi himself, presented the experiences of the more developed countries in the region; Lim Ju May (ISCA), Aris Malantic (PICPA), Rasmimi Ramli (MIA), and Teerachai Arunruengsiriroj (FAP). Whilst the second panel, moderated by Richard Martin (ACCA), focused on how the developing countries are preparing for and dealing with the adoption and implementation of the Standards, as shared by; U Myo Kyaw (MICPA), Hong Piseth (KICPAA), Nguyen Thi Van (VAA), and Sonexay Silaphet (LCPAA).

Interestingly, despite obvious differences between the countries, there are a number of key similarities and common issues that the countries need to focus on. Translation of the Standards (including IFRS for SMEs Standards) is a common issue particularly for countries where English is not the formal and/or common language. Participants agreed that more need to be done to ensure that translation wouldn't be a major hindrance. Takatsugu Ochi reiterated the importance for the countries not only to focus on the word-for-word translation, but also to truly understand the concept behind the words.

Another issue raised in the discussion was the lack of available support to build the capacity of the stakeholders in understanding the Standards. Sylvia Tsen, Executive Director of IFAC who was also one of the participants shared some of the resources that IFAC has in supporting adoption and implementation of professional standards. The abundance of available resources (and not the lack of it) could potentially overwhelm stakeholders in their efforts to build awareness towards and understanding the Standards.

AFA will continue to work with the Bank and other stakeholders in the region to continue the efforts to promote adoption and implementation of international standards in Southeast Asia.



IAI celebrated its 60<sup>th</sup> anniversary by conducting a chain of events throughout the year, culminated with the hosting of the IAI International Seminar in Semarang, December 14-15, 2017 – supported by AFA.

Taking the theme of “The Glory of Professional Accountants, the Glory of the Nation” IAI together with accountants from different sectors; public practice, academic, public sector, and management, hosted events and activities that accommodate different needs and interest of the stakeholders in the country such as workshops and trainings on professional standards, Chartered Accountants Indonesia scholarship programs and career fair, and assistances for the SMEs.



Officiated by the Vice President of the Republic of Indonesia, H.E. Muhammad Jusuf Kalla, the IAI International Seminar focused on the theme of “Toward 2030: Transforming Role of the Professional Accountants in the New Economy Order”, highlighting the evolution of the profession in adapting with current volatility, uncertainty, complexity, and ambiguity affecting business environment. In his opening speech, the Vice President underlined the important role of professional accountants in supporting the successful achievement of Government’s aspirations and programs.

President of IFAC, Rachel Grimes in her keynote highlighted how technology in particular will change the profession's focus in front of more than 800 confirmed participants from various backgrounds coming from different parts of the country. Accountants need to consider both technical and soft skills that will be in demand and those that will become obsolete, as technology play an even greater role in defining future economy. "It is the professional body's role to equip professional accountants with a new paradigm and skill sets, that are based on global standards" as voiced by President of IAI, Prof Mardiasmo.

Also sharing their views on the anniversary theme and outlook of the country's future were the Minister of Finance, Sri Mulyani Indrawati, and the Minister of National Development Planning, Prof Bambang Brodjonegoro. They shared the same sentiments that accountants need to do more to support the Government not only through ensuring the accountability of financial reporting, but by contributing to the sustainability of the national economy.

Also participated in the seminar were some of the key and prominent accountants in the country such as Moermahadi Djanegara (Chairman, Audit Board), Prof M. Nasir (Minister of Research, Technology, and Higher Education), and Prof Sidharta Utama (Board Member, IAESB). In addition, also in attendance were Yasonna Laoly (Minister of Law and Human Rights), Tito Sulistio (President Director, Indonesia Stock Exchange) and Chairs and members of the IAI boards and committees. As the host, the Governor of Central Java, Ganjar Prabowo also participated in the event, and welcomed participants to the state's gala dinner.

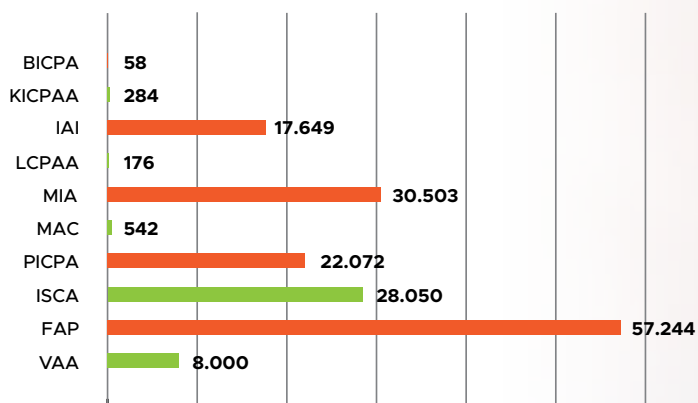


Among the foreign speakers participated in the seminar were Pat Costello (Chartered Accountants Worldwide), Lucia Real-Martin (ACCA), Toh Beng Siew (CPA Australia), Chari TVT (CIMA), and also Nik Hasyudeen Yusoff (AFA Deputy President, 2008-2009).

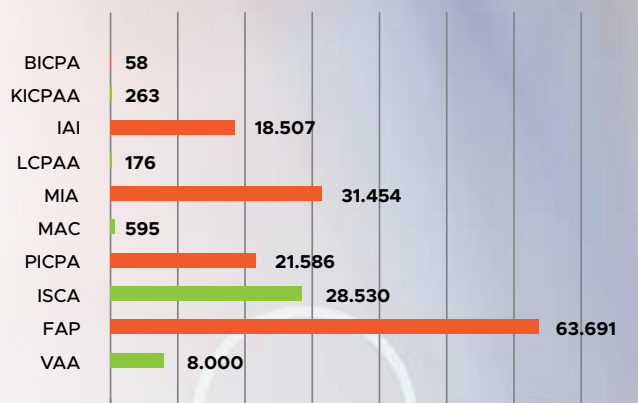
To satisfy the different needs of the participants coming from different backgrounds, the second day of the seminar focused on breakout sessions looking at issues such as; the relevance of SMPs for accountability in the new economy era, efforts to improve the accountability of public sector financial statements, reformation of Indonesia's financial reporting standards for entities with no significant public accountability and SMEs, development and challenges of Sharia business in Indonesia, future competencies of management accountant in Indonesia, role of accountants in the open era of information disclosure, and link and match concept for accounting education in Indonesia.



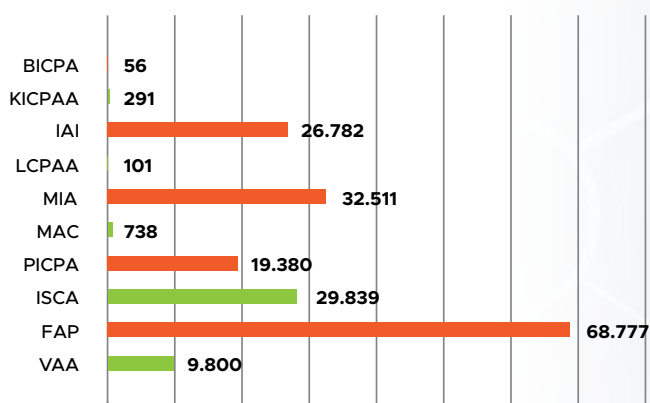
## ACCOUNTANTS IN NUMBERS



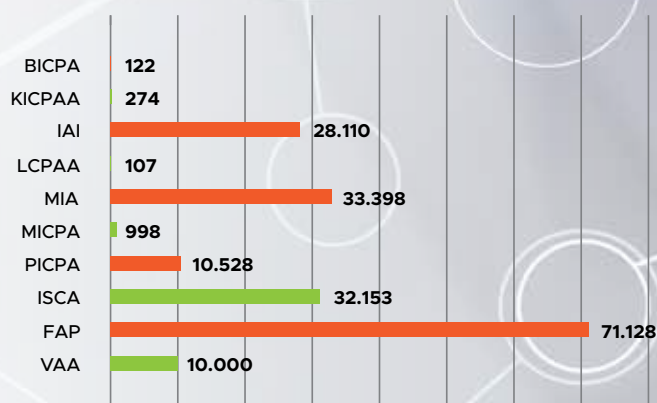
**2013**



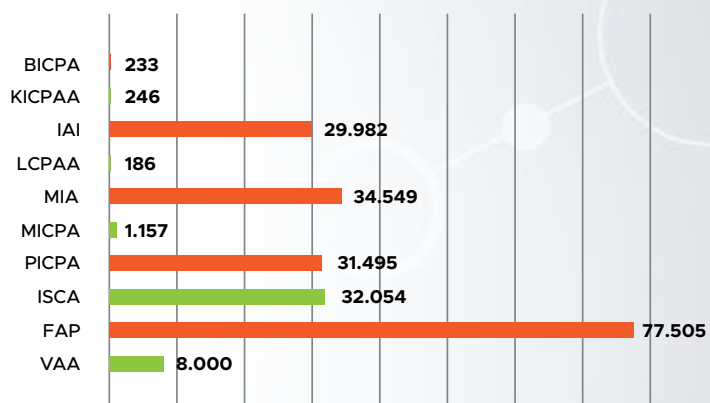
**2014**



**2015**



**2016**



**2017**





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## 40 YEARS AFA JOURNEY



## 40 YEARS AFA JOURNEY







**NEWS FROM**  
AROUND THE REGION





## Introduction

The Brunei Institute of Certified Public Accountants (BICPA) is established on 6<sup>th</sup> May 1987. It is a non-profit organisation managed and run through the voluntary service of accountants working in Brunei Darussalam. Provide an organization for accountants to support and advance the status and interests of the accountancy profession; Provide a forum for accountants in Brunei Darussalam to join together and discuss mutual problems and to encourage the training and education of persons studying accountancy are some of the objectives of BICPA. In 1990s, BICPA started to provide accounting classes for aspiring Accounting Technicians and in 2002 started a joint venture academy with an education provider from Singapore to run the Association of Chartered Certified Accountants technician (AAT) and professional (ACCA) courses. Today the Academy is the leading education provider for ACCA, CAT and CPD courses in Brunei Darussalam.

BICPA is a full member of AFA and an Associate member of the International Federation of Accountants (IFAC). The President of the Institute for the year 2017 is the late Pengiran Haji Moxsin bin Pengiran Haji Yussof who is a representative in the ASEAN Federation of Accountants (AFA). The other three representatives are Mr. Lee Kin Chee, Ms Lucy Wong and Mr. Lim Hoon Hui. The Institute has four (4) categories of membership totalling 240 of which more than 75% are student members, 21% are Associate members and less than 4% are Affiliate members. Public Accountants in Brunei are required by law to be members of BICPA.

## Activities During 2017

### BICPA Celebrated its 30<sup>th</sup> Anniversary

In conjunction with its 30<sup>th</sup> anniversary, BICPA organized and held a National Accounting Forum on 6th May 2017. The theme of the forum is Emerging Issues And Challenges For Accountants And SMEs. The event was attend by over 150 participants from the public and private sectors including AFA delegates. Present as the chief guest is the Deputy Permanent Secretary (Performance and Compliance) at the Ministry of Finance, Dr Hajah May Faezah binti Haji Ahmad Ariffin who also launched the BICPA's Commemorative 30<sup>th</sup> Anniversary coffee table book.



Launching of the BICPA 30<sup>th</sup> Anniversary Coffee Table Book by Dr Hajah May Faezah binti Haji Ahmad Ariffin, Deputy Permanent Secretary (Performance and Compliance), Ministry of Finance

The objectives of the accounting forum are to provide a broad dialogue platform with the participation of relevant authorities including the governmental sector, private sector, community organisations, financial institutions and universities, on the role of accounting education in the development of entrepreneurship and accounting practices to build a sustainable SME sector within the framework of Brunei Vision 2035. It also sought to provide a platform to discuss the role of stakeholders (regulators, law and policy makers, accounting professionals, academic scholars, business communities) in addressing key issues and challenges relevant to Brunei SMEs, and find solutions to appropriately deal with them as they arise; to understand the current status on the development of the Brunei Darussalam Accounting Standards for Non-PIE of which will greatly affect SMEs in Brunei Darussalam financial reporting requirement and to provide the participants with up to date information of their statutory responsibilities.

On the evening of 5th May 2017, BICPA welcome the then Deputy Minister of Finance, Yang Mulia Dato Dr Hj Mohd Amin Liew as the Guest of Honour for the BICPA's 30<sup>th</sup> Anniversary Dinner celebration. The evening saw the signing of a Memorandum of Understanding (MoU) between the University Brunei Darussalam School of Business and Economics (UBDSBE) and the Association of Chartered Certified Accountants (ACCA) aimed at promoting the sustainable development of the accountancy profession in Brunei by encouraging talented UBD students to enter the profession.



Representatives from the Economic Planning Unit (Jabatan Perancangan dan Kemajuan Ekonomi (JPKE)) were also present to witness the certificates presentation to the employers participated in the JPKE job apprentice scheme. Certificates were also presented to the accounting firms and employers in the industry participated in a separate job apprentice scheme, whereby the students of the BICPA Academy were offered a one year trainee position with these firms/companies.

#### BICPA Hosting the 124<sup>th</sup> AFA Council Meeting



BICPA hosted the 124<sup>th</sup> AFA Council meeting held in Bandar Seri Begawan on 5th May 2017. The event was attended by all 12 full members of AFA, associate members and invited guests.

## BICPA Academy at the Higher Education Fair 2017

The BICPA Academy participated in the Higher Education Fair 2017 @ Bridex in February 2017. The event, organised by the Ministry of Education, was officiated by His Royal Highness Prince Haji AlMuhtadee Billah ibni His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, the Crown Prince and Senior Minister at the Prime Minister's Office. During the event BICPA showcased the ACCA and CAT programs.



*The Crown Prince welcomed by the late President of BICPA, Pengiran Haji Moxsin bin Pengiran Haji Yussof*



*The late President of BICPA briefing the Crown Prince*

## Others

The Academy continues with the awareness program throughout 2017 by giving talks in the national public and private schools. BICPA provided the 'Train the trainer' course on basic bookkeeping to the trainers from the Ministry of Finance. This is in conjunction with the Record Keeping (Business) Order 2015. BICPA sent two representatives to attend the 20<sup>th</sup> AFA Conference and 125th AFA Council meeting held in Vientiane, Laos on 8th December 2017.



## Continuing Professional Development (CPD)

In the efforts to continuously maintain and leverage capacity of the members and publics, KICPAA has organised some training workshops in order that its members to fulfil their CPD hour requirements. From the January to December 2017, nine CPD workshops have been conducted fruitfully to members and public. They are:

1. ISQC1
2. IFRS 9 and IFRS 16
3. Practical Audit
4. Corporate Restructuring and Turnaround of Distressed Companies
5. Data Corporate Reporting Development
6. IAS 36 Impairment of Assets – A review of Impairment Accounting
7. Monthly Tax Compliance
8. Managing yourself and leading others
9. Transfer Pricing

## Internal Capacity Building

KICPAA is undergoing to conduct internal assessment for both the Governing Council and the Secretariat in order to realize our vision, mission, and core values. The new governing council has been established since June 2017 under the leadership of:

- Ms. Heng Seida, President
- Ms. Taing Yorkfong, Vice-president
- Mr. Hong Piseth, Treasurer

Under this new leadership, four committees have been established including:

1. Investigation and disciplinary committee
2. Registration and membership
3. Education Committee, and
4. Technical Committee.

The strategic plan 2017-2021 and action plan 2018 have been approved. The five-year strategic plan intends to achieve the following:

1. To well govern the institute with good talent management, operational and financial sustainability
2. To leverage KICPAA's brand and creating values for members
3. To inclusive membership, quality, and professional development, and
4. To develop competency of accounting profession to meet market demand.

## Quality Assurance (QA)

The Ministry of Economy and Finance has established "Audit Quality Assurance Committee—AQAC" to ensure the effectiveness in implementing the Auditing Standards and Assurance, Quality Standard for Auditing, and code of ethics (Code of Conduct). This means that the AQAC is no longer under KICPAA.

The AQAC comprises of 15 members of which seven (7) are from KICPAA, four (4) from National Accounting Council, one (1) from National Bank of Cambodia (NBC), one (1) from Security Exchange Commission of Cambodia (SECC), one (1) from General Department of Taxation (GDT), and one (1) from General Department of Financial Industry (GDFI).

The AQMC (Audit Quality Monitoring Committee) has conducted pilot review for 7 firms more from 31 August – 14 September 2017. This project was supported by PUM.

### Professional Qualification Programs

The Institute is in the stage of developing the Certified Public Accountants (CPA) Program which aims at producing competent professional accountants for the best interest of Cambodian economy. It is expected that the launching of the CPA Program will increase the number of competent professional accountants to serve the public interest and to ensure transparency, accountability, and responsibility of financial reporting of entities.

The CPA program will target those who are intended to become professional accountants, ranging from university graduates to accountants working in different industries. Each candidate will be expected to successfully attend the program at a certain period of time. The program will provide candidates' knowledge and skills of accounting, finance, auditing, tax, and other related subject matters in accordance with the International Education Standards (IES).

The National Working Group on Professional Qualification has been established on 15 November 2017 under the Prakas, No. 1178 MEF/BR.K, of the Ministry of Economy and Finance. The composition of the working group include:

1. Representative from Ministry of Economy and Finance
2. Representatives from KICPAA
3. Representatives from the Secretariat of the National Accounting Council
4. Representative from the Ministry of Education, Youth and Sports
5. Representative from the National Bank of Cambodia
6. Representative from General Departments of Taxation
7. Representative from Securities and Exchanges of Cambodia
8. Representative from Cambodia Higher Education Association

The draft of the program and detailed syllabus have been finalized and approved. The program consist of 12 papers which break into three level such as 1) foundation level, intermediate level, and Advanced level. The action plan for 2018 has been approved to set the launch of the program during May-June 2018, and the first examination is expected to be December 2018.

### Other Activities

#### Prakas on Code of Ethics



In the substance of the new law on Accounting and Auditing required the Ministry of Economy and Finance to issues a Prakas on the Code of Ethics for Auditors and Prakas on the Code of Ethics for Chartered Accountants, KICPAA has drafted 1) the Prakas on the Code of Ethics for Auditors and Chartered Accountants and 2) Prakas on the Code of Ethics for Accountants in Business.

### Not-for-Profit Accounting Standard Workgroup

KICPAA's secretariat firm members are the members of the Not-for-profit accounting standards Workgroup. We actively participate in discussion and drafting the "Financial Reporting Template" for not-for-profit entities. As result, the "template" has been approved by the end of December 2017.

The functions and roles of the workgroup are to:

- Examine the current status of the compliance of bookkeeping of the not-for-profit entities
- Prepare the draft of the accounting standard for not-for-profit entities
- Review and approve on the finding of research study, then file a report to be submit to Minister of the Ministry of Economy and Finance for his/her suggestions and recommendations
- Implement other tasks assigned by the Minister of the Ministry of Economy and Finance

### Promotion and Public Awareness

Secretariat of KICPAA is actively involving in promoting accounting profession through collaboration with ACCA and the NAC. In an efforts to promote public awareness about accounting profession in Cambodia, KICPAA has been working closely with the National Accounting Council to hold the seminars on "Law on Accounting and Auditing" and "Accounting Profession" to employers, tax official, business owners, entrepreneurs, and university lecturers and students. By the end of 2017, nine seminars and workshops had been conducted with 2,710 participants in total.

### Study Visit of Institute of Singapore Chartered Accountants (ISCA)

During January 2017, KICPAA welcomed the visit of Mr. President Gerard Ee from the Institute of Singapore Chartered Accountants (ISCA) in an effort to understanding the current situation of accounting profession and education in Cambodia. During his visit, some topics such the development of professional qualification program, quality assurance issues of the implications of felony complaints and some other issues that are relevant. He and his delegates visited regulatory body (the National Accounting Council), two leading universities, and two auditing and accounting firms.





## The 60<sup>th</sup> Anniversary of IAI



Ikatan Akuntan Indonesia (Institute of Indonesia Chartered Accountants – IAI) celebrated its 60<sup>th</sup> anniversary by conducting a chain of events throughout the year, culminated with the hosting of the IAI International Seminar in Semarang, December 14-15, 2017 – supported by the ASEAN Federation of Accountants (AFA) and the Chartered Accountants Worldwide (CAW).

Taking the theme of “The Glory of Professional Accountants, the Glory of the Nation” IAI together with accountants from different sectors; public practice, academic, public sector, and management, hosted events and activities that accommodate different needs and interest of the stakeholders in the country such as workshops and training on professional standards, Chartered Accountants Indonesia scholarship programs and career fair, and assistance for the SMEs.



Officiated by the Vice President of the Republic of Indonesia, H.E. Muhammad Jusuf Kalla, the IAI International Seminar focused on the theme of “Toward 2030: Transforming Role of the Professional Accountants in the New Economy Order”, highlighting the evolution of the profession in adapting with current volatility, uncertainty, complexity, and ambiguity affecting business environment. There was also President of IFAC, Rachel Grimes who deliver the keynote speech highlighted how technology in particular will change the profession’s focus in front of more than 800 confirmed participants from various backgrounds coming from different parts of the country.

Also sharing their views on the anniversary theme and outlook of the country’s future were the Minister of Finance, Sri Mulyani Indrawati, and the Minister of National Development Planning, Prof Bambang Brodjonegoro. They shared the same sentiments that accountants need to do more to support the Government not only through ensuring the accountability of financial reporting, but by contributing to the sustainability of the national economy. Among the foreign speakers participated in the seminar was Pat Costello (Chartered Accountants Worldwide), Lucia Real-Martin (ACCA), Toh Beng Siew (CPA Australia), Chari TVT (CIMA), Deny Poerhadiyanto (ICAEW), and also Nik Hasyudeen Yusoff (AFA Deputy President, 2008-2009).

#### Accountants Award 2017



As part of the celebration of its 60<sup>th</sup> Anniversary, IAI hold the IAI Accountants Award 2017. This award is an appreciation given to an accountant or no accountant figure for their dedication, achievement, innovation, and contribution in the implementation of governance, transparency and accountability in Indonesia, and also for elevate the accountancy profession in the society. Accountant Award 2017 is given to Prof. Bahrullah Akbar (Deputy Chairman of BPK RI), Sri Mulyani Indrawati (Minister of Finance), Yasonna H. Laoly (Minister of Justice and Human Rights), Soekarwo (East Java Governor), and Jahja Setiaatmadja (President Director of Bank Central Asia).

Minister of Finance, Sri Mulyani Indrawati sharing her speech said that “I appreciate that IAI continues its role to promote a good accounting standards, positive vision, and an increasingly accountable business culture. This will directly and indirectly benefit our national economy”. For her, IAI’s role is crucial in promoting best practices to build values that will benefit all of its stakeholders.



## IAI Aspiring Professional Accountant Festival (APA Fest)



IAI has successfully hosted the Aspiring Professional Account Festival (APA Fest) 2017 on 14 October 2017. This festival was held as part of the celebration of 60<sup>th</sup> Anniversary of IAI, APA Fest is the biggest Accounting Festival for an accounting students in Indonesia held at the Indonesia Stock Exchange Building, Jakarta.

More than 1,500 accounting students from around Jakarta gathered to attend the AFA Fest. This Festival has successfully invite more than 35 major companies, firms, startups based in Indonesia to participate in this career and recruitment. APA Fest was officially opened

by the Head of State Audit Board of Indonesia, Moermahadi Soerja Djanegara who is also the Chairman of IAI Advisory Board. Moermahadi believe that through AFA Fest the mutually beneficial relationship between industry, profession, and students will be established. As the exhibitor, the company will have the first chance to get the best talents of Indonesia's accounting students. Meanwhile the students will have a great opportunity to be recruited by the company and start their career and future development. Both will complement each other to strengthen individual competencies and capabilities, as well as the ability and competitiveness of the entity in the future. The profession will also benefit from increasing the competence and capability of its members.

AFA Fest was consisted of a series of events such as career and recruitment fair, talent show, capacity building seminar, investment seminar, startup creativity event, CA Scholarship Examination and other relevant activities. A number of speakers who attended were national figures with professional accounting background, such as Prof. Sidharta Utama, Danil Handaya, Isnaeni Achdiat, and also the Vice Governor of DKI Jakarta, Sandiaga Uno.





## IAI – Bank Indonesia Established the Accounting Guidelines for Islamic Boarding School



IAI together with Bank Indonesia has launched the accounting guidelines for Islamic Boarding School (Pondok Pesantren) on 8 November 2017 Bank in Surabaya, East Java, this event is part of the Indonesia Shari'a Economic Festival (ISEF) 2017. ISEF 2017 was officially open by the Vice President of Republic of Indonesia, H.E. Jusuf Kalla and attended by more than 1,000 sharia economy practitioners.

Islamic Boarding School Accounting Guidelines is part of contribution of IAI and Bank Indonesia in order to support the capacity building of economy practitioners, especially for they who run the Islamic Boarding School.

The preparation of this Guidelines has been started since June 2017 and involves more than 30 boarding schools throughout the Region of Indonesia. With the issuance of this Guidelines, the Islamic Boarding School is expected to prepare financial statements in accordance with Financial Accounting Standards and increased transparency of financial reports.

## IAI – ACCA Special Pathway



IAI and ACCA has signed the agreements commenced on 7 July 2017 regarding the IAI – ACCA Strategic Pathway. Through this agreement, ACCA provides an incentivized pathway for eligible IAI members to obtain the ACCA membership. ACCA will provide a blanket exemption of nine (9) papers (F1-F9) from the ACCA Qualification for all eligible IAI members (Indonesia CA Holder). IAI members are only required to complete Professional papers of the ACCA Qualification. This agreement is aimed to support the next stage of growth and opportunity for the accountancy profession in Indonesia.

## IAI and CPA Australia Has Sign the Membership Pathway's Agreement



IAI and CPA Australia has sign the Mutual Recognition Agreement on November 7, 2017. This agreement has the objective to provide a pathway for IAI Primary Member (CA Indonesia Holder) to become members of CPA Australia. IAI also provide a pathway for members of CPA Australia to become members of IAI.

With this agreement, IAI will provide the letter of good standing to the members who is interested to be the full member of CPA Australia, this privilege will is for the CA holder who obtain the CA designation before 2003. This privilege will be closed on July 31, 2018. Those who are obtain the CA designation after 2003 will have to 2 examination subjects of CPA Australia: Advance Manajemen Accounting and Advance Audit or Business Contemporary. For CPA Australia Member (Indonesia Nationality only) who is interested to be CA Indonesia, should take 2 subjects of CA examination: Business law and Taxation Management.

## General Background

2017 is such a big, meaningful, fruitful and huge successful year for LCPAA. LCPAA has done a lot in terms of organizing events and expanding its network. The very outstanding event organized by LCPAA in collaboration with AFA were the 20<sup>th</sup> AFA Conference and 124<sup>th</sup> AFA council meeting. By hosting this event, LCPAA is not only fulfill its task as a member to organize these events but also brings its organization to the regional as well as international level. Apart from successfully organizing the event, Vice president of LCPAA, Mr Sonexay Silaphet has also successfully finished his mission as AFA president for the fiscal year 2016-2017.

On top of that, LCPAA since last year has pay huge efforts to implement its obligation under Statements of Membership Obligations (SMOs) of IFAC in order to be a member of IFAC. From the initial assessment of implementing activity under SMOs, LCPAA has done many activities on time and are on track.

LCPAA has worked with many sectors on capacity building and monitor its members works. Since last year, LCPAA is one of parties who plays a big role in IFRS transition project. There are several sectors that are included in these parties which are Bank of Laos, Ministry of Finance, World Bank and Malaysian Institute of Accountants (MIA). In addition to this, LCPAA is still working with other professional accountancy bodies such as CPA Australia, ACCA and ISCA.

LCPAA is not only working with other parties in both locally and internationally on capacity building to build the quality workforce of professional accountants and auditors to contribute to the economic growth of the country, but also actively organize its training for different program, especially Lao CPA training program for the professional accountants. In order to meet the market demand on obtaining Lao CPA qualification, LCPAA has opened its 2<sup>nd</sup> Batch of Lao CPA qualification training program with the new syllabus.

## Events on Regional Level

### 20<sup>th</sup> AFA Conference



On December 9 2018, LCPAA in collaboration with AFA has successfully organized the 20<sup>th</sup> AFA Conference at Crowne Plaza hotel, Vientiane, Laos. The objective of this conference is to contribute to the development of the accountancy profession particularly in the Lao PDR, through regional experiences sharing and exposure to global standards and best practices. The theme of the conference is Local Focus | Regional Experiences | Global Exposures IFRS Adoption and Financial Reporting Quality: Regional and International Experiences for Local PIEs and SME.

There were more than 200 accountants participated in the Conference. Mostly based in the Lao PDR, they range from regulators, practitioners, auditors, academicians, and other stakeholders with strong interest in the accountancy profession. The Conference also attended by representatives of regional PAOs who are member organizations of AFA, representing the ten ASEAN member states.

## 125<sup>th</sup> AFA Council Meeting



On December 10, 2017 LCPAA has successfully organized the 125<sup>th</sup> ASEAN Federation of Accountants (AFA) Council Meeting at Crowne Plaza hotel, Vientiane, Laos. The Council meeting are attended by representatives of regional PAOs who are member organizations of AFA, representing the ten ASEAN member states and seven associate members. The meeting was chaired by President Silaphet, attended by Deputy President Ee, Treasurer Chia, and Executive Director Pratama.

## Events on Country Level

### World Bank Conference



LCPAA in collaboration with WB and AFA organized the IFRS conference for the regulators, key decision makers and representatives from PIEs and LCPAAs members. In the conference, topic on Key Challenges to implement IFRS in Laos was presented, and some of the PAOs who are AFA member bodies shared their experience in IFRS implementation. The conference was held on 11 December 2018 at Crowne Plaza Hotel and more than 80 participants were attended the conference.

### Seminar on Regulatory Update



On 16 January 2017 Lao Chamber of Professional Accountants and Auditors has co-organized seminar with Deloitte on the topic of Regulatory Update. The purpose of this seminar was to disseminate some latest changes in Accounting Laws and Tax Laws of Laos PDR. To clarify on how the changes, apply in practice become important as number of overseas subsidiaries in Laos are approaching their consultants and auditors to seek clarifications. In order to promote and increase the understanding of the changes in these laws and regulations in Laos, this seminar is organized to assist participants in enhancing their understanding and give

participants an opportunity ask questions that they may have. Participants comes from different sectors including LCPAA's members, Deloitte's clients from local and international entities.



### Workshop on ASEAN CPA with International Expert



On February 8 2017, LCPAA participated in a workshop organized by the Accounting Department, Ministry of Finance workshop on Asean CPA with the purpose of presenting the criteria and process of becoming ASEAN Chartered Professional Accountant to participants. Presenters were international consultants from Mutual Recognition Agreements in the ASEAN region project. Participants were from various organization including members of Registration Committee, LCPAA members, Accounting department, Ministry of Finance and other parties.

### LCPAA Annual Meeting



On April 5 2017, LCPAA organized its annual meeting for the year of 2016. The aim of this meeting was for reporting its performance of the year 2016 to its member, and presented its working plan for fiscal year 2017 including training plan and another working plan.

### Meeting with Education Committee Members

On August 25 2017 LCPAA organized the internal meeting with the members of Education committee in order to take lesson learn from implementing Lao CPAs Qualification Training program and make a better plan for the future training.

### MOU Signing Ceremony

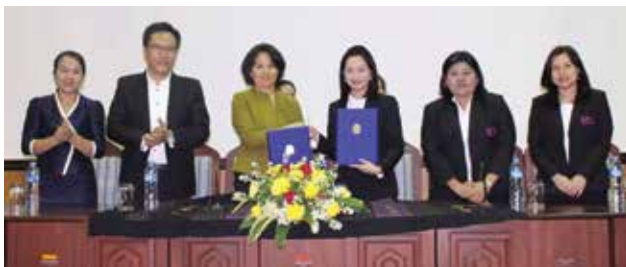
#### MoU Between LCPAA and National University of Laos



On March 2017, LCPAA has signed an MoU with the Faculty of Economics and Business Administration, National University of Laos with the aim of working together on transferring fundamental level subjects of CPA qualification curriculum to its Accountancy Department and exchanging expertise on transferring knowledge to students of both sides.

The president of LCPAA, Dr Phirany Phissamay, Vice President of LCPAA, and the Vice Dean of the Faculty of Economics and Business Administration, Mr Phetsamone Phommavong represented their respected organization in signing the MoU. The Signing ceremony was held before a seminar on Lao accounting regulations and IFRS, witnessed by more 300 students of Faculty of Economics and Business Management and members of LCPAA.

### MoU Between LCPAA and Sripatum University



On March 2017, LCPAA has signed an MoU with Sripatum University (“SPU”) for the purpose of sharing a commitment to explore capability building opportunities to help develop the accountancy profession in Lao PDR in the area of Training of accounting technicians, Training of international Financial Reporting Standards for Small and Medium Enterprises, IFRS, CPD and exchanging expertise, experiences and best practices.

The president of LCPAA, Dr Phirany Phissamay and Asst. Prof. Titaporn Sincharoonsack, Ph.D, Dean, School of Accountancy represented their respected organization in signing the MoU. The Signing was held in the Faculty of Economics and Business Administration, National University of Laos and witnessed by more 300 students of the Faculty and members of LCPAA.

### MoU Between LCPAA and Malaysian Institute of Accountants (MIA)



On December 9 2017, LCPAA has signed an MOU with MIA for the purpose of promoting mutual cooperation for the advancement of accounting profession and to strengthen the relationship between MIA and LCPAA.

The president of LCPAA, Dr Phirany Phissamay, Vice President of LCPAA, Sonexay Silaphet, the President of MIA, Salihin Abang and Dr Nurmazilah Dato’ Mahzan represented their respective organization in signing the MoU. The Signing ceremony was held together with the 20<sup>th</sup> AFA Conference event in Crowne Plaza hotel and witnessed by around 200 participants.

### Collaboration with other organizations

#### Collaboration with World Bank, Malaysia Institute of Accountants and ASEAN Federation of Accountants



LCPAA in collaboration with the Malaysia Institute of Accountants and ASEAN Federation of Accountants and Auditors has implemented IFRS Transitional Project in Laos between August 24 - September 3 2017. The aim of this mission was for implementing its first mission called IFRS Gap Analysis. During the mission project team has worked with regulators from MoF, Bol and LSCO and the representative of bank service, listed companies and insurance companies.

In order to support this project, LCAA together with other parties including the representative from MoF, LSCO, BoL and World Bank were appointed by Minister of Financial to be a member of IFRS Implementation Counterpart Committee.

Follow up with fist mission, on September 22<sup>nd</sup>, 2017, three parties co-organized half day workshop on presenting the draft finding and recommendations in the Draft IFRS Gap Analysis Report to Key Decision makers in Laos in Landmark Mekong Riverside Hotel. More than 100 participates representing PIEs, Educational Institutions, Regulators and other relevant parties were participated in the workshop.

## Collaboration with CPA Australia



On July 5 2017 LCPAA and CPA Australia co-organized the workshop on First Time Adoption of International Financial Reporting Standards (IFRS). The main aim of this workshop is to enable Lao audience to acquire an overall understanding on how public interest entities shall prepare themselves to implement IFRS and how the regulators and professional accountancy bodies could support their effective implementation. The main contents of this workshop were First Time Adoption of IFRS by identifying the key conversion issues and create the opening balance sheet and exceptions from the

normal requirements of IFRS can be applied when preparing the financial statements, and the framework for the preparation of financial statements in accordance with IFRS. More than 100 participants which are LCPAA members and the representative from PIEs were participated in the workshop.

## Collaboration with CPA Australia and Ernst & Young Laos



On November 7 2017 LCPAA in collaboration with CPA Australia and Ernst & Young Laos organized the workshop on Fraud management and Effective Risk Governance for the Financial service. The purpose of this workshop is for providing participants with insights on analysis of popular frauds, best practice in detecting and preventing those issues and also to emphasize how to build an effective risk governance framework in order to manage related risks. The workshop was organized at Muong Thanh Luxury Vientiane Hotel with more than

100 participants from various sectors were took part in. The main contents of this workshop were on Fraud in the Banking Industry - Analysis, Detection and Prevention' and Effective Risk Governance for the financial.

## LCPAA Training Program

### Lao CPAs Qualification Training Program



LCPAA just finished providing training on the Fundamental level papers (F1-F9) on Lao CPA training program for the batch XII. Up till now, there are at least 90 students have completed all 9 Fs and ready to continue for the Professional Levels for the professional level papers is expected to provide middle of this year once all the resources are ready.

After LCPAA has opened its Lao CPA training program for batch XIII on October 14 2017, the training program has run smoothly with finishing two papers on Fundamental level (F1 and F2). There were more than 100 students turns up for the exam of each papers.



### **CPD Training Program**

In order to upgrade knowledge and prepare LCPAA's existing CPAs to attend professional level of new Lao CPAs syllabus to upgrade themselves to be Certified Public Accountants, LCPAA has providing its CPD training program base on the content of new Lao CPA syllabus in the fundamental level. Out of 9 papers of Fundamental level, only two papers leave and expected to finish next two weeks.

### **Aptitude Test to Become Lao CPAs**

LCPAA has organized its very first Aptitude test on September 9th 2017, at LCPAA office for those who are already obtained CPA certificate from overseas. This test is for both, who are exercising accounting and auditing profession in Laos in the form of legal entity, associate or employee, including those who are practicing in public practice both local and foreigner or in business as the position of Chief accountant, Chief Financial Officer, accounting staff or any post in business, and those who have not exercised its professional yet. The test was organized as an interview in person and last approximately 45 or 60 minutes. The topic was on business-related laws conducted in language English.

### **Others Event**

#### **Establishment of Registration Committee**

LCPAA together with some of its members who are also international expert has established its Registration Committee which consists of members from various sectors such as from Big 4 and National University of Laos, 7 members in total. The main purpose of this committee is to work on establishing the requirement to be admitted to and expelled from membership, and the service to be provided to members. This committee will work toward missions of LCPAA in compliance to regulations issued by Ministry of Finance and LCPAA. This committee would also work on advising and managing membership dues and financial matters as indicated in ToR. Some specific duties of this committee include develop a work plan for each period, prepare the Rulebook on the procedure for issuance of Lao CPA certification in respect of certifications issued in other countries, consider the LCPAA membership.

The Malaysian Institute of Accountants had progressed on several initiatives that are strategically designed to empower members, uphold the public interest, and above all, support nation building. Below are some of MIA's most significant and memorable milestones for 2016/2017:

### MIA's 50<sup>th</sup> Anniversary



MIA first came into being when the Accountants Act 1967 came into force, mandating us to regulate the accountancy profession in Malaysia and to champion nation building. On September 30 2017, MIA held a lavish Gala Dinner with the theme of Integrity, Accountability and Trust, that marked the culmination of our 2017 Golden Jubilee event calendar. Our 50<sup>th</sup> Anniversary initiatives included Commemorative Lectures by iconic accountants, competitions, and educational programmes positioning accountancy as the profession of choice.



## Inaugural Integrated Report

Also, in September 2017, MIA produced our first ever Integrated Report, prepared in accordance with the International Integrated Reporting Framework. As the national advocate for Integrated Reporting <IR> in Malaysia, MIA sought to model <IR> to encourage other organisations embarking on their own <IR> journey.

## Professional Development

Professional development and learning activities are the main income earner for MIA, generating income of RM24.82 million for 2016/2017 and ensuring the Institute's financial sustainability. For 2016/2017, MIA successfully organised 968 programmes delivered by about 400 specialists, benefiting about 35,800 participants, comprising 63% MIA members and 37% non-members. The specialised local content of MIA's programmes is tailored to be relevant for all accountancy professionals working in the Malaysian environment and is unmatched by other Professional Accounting Organisations (PAO) operating in Malaysia.

## Record-breaking MIA International Accountants Conference 2017



The pinnacle of MIA's annual professional development calendar, the MIA International Accountants Conference 2017 successfully attracted a close 3,000 delegates from commerce and industry, public sector, public practice and academia, reinforcing its position as one of the largest global accountants' conventions. The Conference theme of Expanding Horizons, Be Future Relevant recognised that digital and technological disruptions are transforming business and assessed how the profession should leverage these to deliver improved services and value.



## Enhancing Quality Through Technical Excellence

MIA works hard to provide technical guidance to all accountancy professionals in Malaysia, in order to achieve consistent professional practices while raising quality. In accounting, we continued to facilitate the implementation of impending Malaysian Financial Reporting Standards (MFRS). As the local standard setter for auditing standards, we collaborated strategically with stakeholders (notably the Audit Oversight Board and the Securities Commission Malaysia) to drive adoption of the enhanced auditor reporting standards. We also sought to share our experiences as a regional PAO and were privileged to be selected by the World Bank as their partner for their IFRS implementation project in Lao PDR.

## Heightened Governance

For 2016/2017, MIA implemented a balanced enforcement approach that combines education and enforcement to improve professional competency and enhance trust. We revised our Practice Review Framework and implemented a new mandatory ruling and audit of annual CPE hours' compliance to ensure that members are up to date. We also recommended that fines be increased punitively, and licences of subpar audit firms be revoked, and have named-and-shamed bogus accountants to protect the public interest.

## Member Satisfaction

MIA eventually aims to produce 60,000 accountants across all tiers to meet market demand as projected by the Government. We have steadily increased MIA membership, peaking at 33,294 members in 2016/2017, and seek to grow member loyalty and satisfaction in order to expand the talent pipeline. Our 2016/2017 MIA Membership Satisfaction Survey found that approximately 78% of members are satisfied with MIA and 81% are proud to be associated with MIA. To further drive satisfaction, we introduced our MIA Digital Membership Privilege Card that accords exclusive member benefits and lifestyle privileges, and a mobile app that delivers real-time updates on MIA news and developments.



*Dato' Mohammad Faiz Azmi, MIA Past President, Sir David Tweedie, Chairman International Valuation Standards Council & Salihin Abang, MIA President with students from public & private universities*

## **SMPs**

One of MIA's key thrust is to help SMPs leverage digital and automation more effectively to improve the audit process and audit quality in line with the MIA SMP Roadmap. For 2017, MIA collaborated closely with MICPA (Malaysian Institute of Certified Public Accountants), providing input into MICPA's Audit Guide for Practitioners and Illustrative Audit Working Papers launched in October 2017, which are very helpful for practitioners and MIA members. Since August 2017, MIA has also organised 2-day joint workshops on Practical Auditing Methodology for SMPs and will continue to offer our joint Quality Assessment Programme (QAP) with MICPA, and this has benefited many SMPs.

## **Building Linkages**

MIA continues to engage prolifically and strategically at the regional and international level to support multilateral development, especially in ASEAN. We are involved in AFA's Working Committee on Adoption and Implementation of International Standards and Working Committee on PAO Capacity Building and are closely involved with the ASEAN Coordinating Committee on Services through the ASEAN CPA Coordinating Committee. ASEAN talent mobility has advanced with the launch of the ASEAN CPA certification in 2017 and so far, 737 qualified ASEAN CPAs have registered, including 298 MIA members.

## **Future Outlook: Banking on Big Data**

MIA is committed to deepening and broadening our initiatives to deliver even more value to members and stakeholders in 2018/2019, which in turn will ensure the increasing relevance and utility of accountants and the profession. Currently, we are crafting MIA's 2018-2030 Strategic Plan, which will guide us as we continue to work on our many value-adding initiatives.

Operationally, we are reinventing ourselves as a data-driven organisation to become more effective and efficient. Thus, we are investing in our new MIA Membership Information System (MMIS) that utilises big data and data analytics in cloud to understand members' needs and deliver powerful and timely solutions to improve members' user experience and satisfaction. The outcome is to attract and retain more members and augment the talent pool, further supporting socioeconomic development.

These are among the notable changes at MIA as we strive to transform ourselves into a sustainable and digital 21st-century PAO. For more on MIA's ongoing journey, read our story in our integrated report at <http://www.mia.org.my/v1/AboutMIA/annualreport.aspx>.



MICPA was established on 30 January 2014 as a not-for-profit corporate entity under the Myanmar Companies Act. This report covers the activities of MICPA for the calendar year 2017. The Executive Committee has 19 members as of now, who have supervised and directed its day-to-day running.

## Membership of MICPA

MICPA has 1209 members, of whom 796 are Practicing Accountants and 413 Non-practicing Accountants. About 4,000 have been produced by the Myanmar Accountancy Council (MAC). Most of them are scattered across the corporate bodies and Government departments. Others have gone abroad to work. Now steps are being taken to bring in as members CPAs in public practice and others, local and foreign, working in businesses in Myanmar.

## Membership in IFAC

As a NAB, MICPA has started to seek membership in IFAC, for which efforts are being made to fulfill its requirements. Also MAC is now going to sign the open license agreement with IFRSF; the Myanmar side has already signed it and only IFRSF has to sign it. Once signed, it will enable MAC to enforce all public and listed companies and public interest companies like insurance companies, banks, etc. to prepare their financial statements in compliance with IFRS.

## MICPA EC Meetings



MICPA has held 12 meetings to discuss matters regarding the professional development of its members, collaboration with foreign professional accounting institutions, CPD programs for PPAs, etc. Moreover, two AGM and one EGM were also held.

## CPD Seminars

CPD Seminars are held once a month at a minimum to improve the professional and technical competency of its members and make them well versed in the international professional standards so they can be recognized internationally as qualified accountants. 18 seminars were held in 2017, covering all fields of accounting, auditing, financial reporting, ethics, taxation, IT, company laws, Insolvency Act, Partnership Act, etc. where resource persons, both local and foreign, have served as speakers.





### Daiwa-JICPA Stock Exchange Training Program



A series of workshops has been conducted on Stock Exchange operations by Japanese Instructors for MICPA members. It aims to help the development of a viable Stock Exchange Market in Myanmar and benefit MICPA members, who have to play a key role in converting SMEs into public companies and getting them listed on the Stock Exchange. Out of 10 trainees at least three who have scored the highest marks in the test are selected and sent out to Japan on a study tour. During this year one such workshop was held and 10 of our members attended it. 3 of them were selected for practical training in Japan.

### Collaboration with International Professional Organizations

MICPA has signed MoUs with foreign professional accounting organizations, such as ACCA, ICAEW, CIMA, ISCA, Daiwa, JICPA, GIZ (German Cooperation Agency). Moreover, MoUs with ADB, ICMA (Australia), and CPA (Australia) are being processed for signing soon. These are aimed at forging close relationships of cooperation and collaboration with them for the advancement of accounting profession in Myanmar. A Capacity Building Program Project in Myanmar is to be launched soon by signing MoU between IFAC, ACCA and MICPA.





GIZ has launched a banking sector reform program in cooperation with the Central Bank of Myanmar, office of the Auditor-General of the Union, MAC and MICPA. Under that program, the Banking Sector Financial Reporting Standards Implementation Committee (BFRIC) was formed with a view to helping the banks prepare their financial statements in compliance with IFRS.

### **Mutual Recognition of Accounting Professionals in ASEAN Countries**

Under MRA, MICPA has already recommended its 290 members who have met the requirements prescribed by ACPACC to AFA Council for recognition as ACPAs.

### **Participation in Activities Undertaken with Local and Foreign Organizations**



MICPA has taken an active part in the following activities in our national and professional interests :-

- Contribution of input to the drafting of the amendment to Union Taxation Law, Partnership Act reform;
- Discussions with the ADB and JICA legal consultants on the Insolvency Law Reform Project;
- Participation in workshops on the implementation of IFRS in the banking sector organized by BFRIC and GIZ;
- Meetings with ROSC Steering Committee to implement the World Bank ROSC Quality Assurance for Audit Myanmar Roadmap.

### **Meetings of Foreign Professional Accounting Bodies Attended by the MICPA EC Members**

MICPA EC members have attended the meetings of the foreign professional accounting bodies during the year. They are: 124th and 125th AFA Council meetings, CAPA 60<sup>th</sup> Anniversary, MIA International Conference 2017, CCS 87th and 88th meetings, ACCA Conference.



The Philippine Institute of Certified Public Accountants, Inc. (PICPA) is a recognized accredited professional organization by the Professional Regulation Commission (PRC) of the Philippines. PICPA is divided into 4 geographical areas, 9 Regions and 88 chapters with a total membership of 31,495 and classified according to sectors: 12,953 from Public Practice; 10,995 from Commerce and Industry; 2,753 from Government; 1,026 from Education; and remaining 3,768 non sectoral.

PICPA concluded 2017 with numerous accomplishments under the leadership of Mr. Ramonito D. Pernato (FY 2016 – 2017), with his theme “Level Up”, and Atty. Zenaida P. Alcantara (FY 2017 – 2018) with her theme “SHINE” Service, Honesty, Innovation and Nation-Building through Education. In the international scene, Mr. Pernato was the official representative to AFA with Chairman of the International Affairs Committee Raymund Talimio Jr. as his Technical Adviser. President Alcantara took over in July 2017 with Mr. Wilson P. Tan replacing Mr. Talimio Jr. Below are highlights of PICPA’s 2017 activities:

### Annual Planning Conference (APC)



The 2017 Annual Planning Conference gathered PICPA’s National, Geographical, Regional and Chapter Officials to craft the major plans, programs and specific goals of PICPA pursued for FY2017-2018. The event was held on June 27-28, 2017.

### Accountancy Week Celebration (AWC)



Held in collaboration with the Professional Regulatory Board of Accountancy (PRBOA) and the sectors, the Association of CPAs in Public Practice, Association of CPAs in Commerce & Industry, National Association of CPAs in Education and Government Association of CPAs, the event brought together the accounting professionals all over the country. This AWC was held on July 16 to 22, 2017 focused on lectures and technical sessions on 3 competence areas under the Continuing Professional Development Program. PRBOA Chair Joel L. Tan-Torres and Mr. Adrian Lim, IFAC Assistant Technical Manager, Quality & Development, discussed the “Challenges and Development of the Accountancy Profession in the ASEAN Region.”



## Annual National Convention (ANC)



The ANC, hosted by Metro Manila Region, GAO and the Chapters and was attended by 4,770 CPAs, focused on the future of accountancy profession and the challenges faced by accounting professionals in the “digital age” and era of cyber-technology. During the 72nd ANC, PICPA conferred the Hall of Fame Award including Honorary Life Award, Outstanding CPAs for each sector and other special awards. For the Regions and Chapters, PICPA gave the Continuing Excellence Award, Outstanding Chapter Award, Hall of Fame and other citations.

## Participation in International Events



The United Nations Conference on Trade and Development (UNCTAD) 34th Session of the Intergovernmental Working Group of International Standards of Accounting and Reporting (ISAR) Experts held on November 3-6, 2017 at the Palais des Nations, in Geneva, Switzerland. – David Gichana, Chair of ISAR 34, Deputy Auditor of Kenya and Tatiana Krylova, Head, Enterprise Branch, Division on Investment and Enterprises of UNCTAD, posing for posterity with PICPA delegates led by President Atty. Zenaída Alcantara, together with Ms. Cecilia Patricio, Atty. Christina Barroga, Ms. Claire Mangangay and Ms. Isa Portia Alcantara, who attended the Conference as observers. Board of Accountancy (BOA) Chair Joel Tan Torres and Commission on Audit Director Luzvi Chatto, representing the Philippine Government were also present.



*The 125<sup>th</sup> Council Meeting of the ASEAN Federation of Accountants [AFA] – held in Vientiane, Lao PDR, on Dec. 9-10, 2018. National President Atty. Zenaida P. Alcantara and International Affairs Chair Wilson Tan represented PICPA at the Meeting. It is noteworthy to mention that International Affairs Chair Wilson Tan has been appointed Chairman of the AFA Working Committee 3 on PAO Capacity Building.*



*The 60th Anniversary of the Confederation of Asian and Pacific Accountants [CAPA] (Nov 9-11, 2017) in Kuala Lumpur, Malaysia, this milestone anniversary celebration of CAPA, which coincided with the observance of International Accountants Day, was attended by PICPA National President Atty. Zenaida P. Alcantara, International Affairs Chair Wilson Tan, Dean Estelita Aguirre, 2014-2015 AFA President and PICPA Past President Josefina Chua.*

In 2017, PICPA participated in other Global events as follows:

- The 124<sup>th</sup> Council Meeting of the ASEAN Federation of Accountants (Brunei Darussalem, May 5);
- The Asia-Pacific Economic Cooperation – Intellectual Property Office of the Philippines Forum/Workshop (Manila, July 12-14);
- Int'l Federation of Accountants Regional SMO Workshop (Hanoi, Vietnam, July 15);
- The Int'l Federation of Accountants Conference (Brussels, Belgium, November 14-16);

#### Conference of Regions and GAOs held in the Philippines and Abroad



*The Joint Conference of Luzon Geographical Area Office (LGAO) and Southern Tagalog Region Macau, China, January 7-8, 2017*



*The 14th PICPA Metro Manila Region International Conference, Taipei, Taiwan, May 24-29, 2017*

Other Regional Conferences:

- The Central Luzon Regional Conference hosted by Pampanga Chapter (January 13);
- Eastern Visayas Regional Conference hosted by Bohol Chapter (January 26);
- Northern Luzon Regional Conference hosted by Pangasinan Chapter, Dagupan City (January 27-28);
- The Southern Tagalog Regional Conference hosted by Oriental Mindoro Chapter (April 28-29);
- The 2<sup>nd</sup> PICPA Visayas - Mindanao International Conference (Auckland, New Zealand, June 5-9);
- The Central Luzon Regional Conference hosted by Olongapo Chapter (June 23-24); and
- The Joint PICPA Southern Mindanao and Northern Mindanao and ACPAMIN Conference (August 21);



## Continuing Professional Development (CPD) Seminar



<b>PHILIPPINE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS</b> Continuing Professional Development (CPD) for the Period January 1, 2017 to December 31, 2017						
Category	Numbers of Times Offered	Total Numbers of CPA Participants	Numbers of Times Offered	Total Numbers of CPA Participants	Total Numbers of Times Offered	Total Numbers Of CPA Participants
	PICPA NATIONAL		PICPA CHAPTERS			
<b>Competence A</b>	197	14,932	194	13,134	391	28,066
<b>Competence B</b>	65	3,275	58	3,786	123	7,061
<b>Competence C</b>	27	1,303	27	1,363	54	2,666
<b>TOTAL</b>	289	19,510	279	18,283	568	37,793

Continuing Professional Development (CPD) Seminars – conducted throughout the year at the PICPA National Office and at its Chapter and Regional Offices, the CPD Seminars are opportunities for further learning for accounting professionals across the country. In 2017, PICPA National Office conducted two hundred eighty-nine (289) CPD seminars attended by nineteen thousand five hundred ten (19,510) participants. Nationwide, the Chapters and Regions provided two hundred seventy nine (279) seminars attended by eighteen thousand two hundred eighty three (18,283) CPA participants, making a total of 37,793 CPAs in the Philippines, for the purpose of complying with the requirements of Professional Regulatory Board of Accountancy Resolution No. 358, Series of 2016 in accordance with No. 34 of International Education Standards of the International Federation of Accountants.

PICPA CPD Council: “Resource Speakers Competence and Effectiveness Evaluation Project” – The PICPA CPD Council embarked on this project to enhance the quality of professional educational services being rendered to PICPA members in compliance with PRBOA Resolution No.254 Series 2017. An Evaluation Instrument for Resource Speakers (EITRS) and Material Evaluation Instrument (MEI) were developed, and are now being used by designated evaluators from among the CPD Council Members.



## Master in Business Administration (MBA)

In collaboration with the University of the City of Manila, PICPA offers a Graduate off-Campus Program leading to an MBA degree. To date, PICPA has produced one hundred eighty nine (189) MBA graduates. On-going is the 9th Batch with twenty two graduate students.

## Corporate Social Responsibility (CSR) Projects



PICPA members reached out to their respective communities through PICPA's CSR activities which include: medical and dental missions; donation of books, school uniforms and other school supplies; and conduct of livelihood seminars to help micro-entrepreneurs. In 2017, various chapters entered into Memoranda of Agreement (MOAs) with Local Government Units on SMEs where PICPA the chapters conducted seminars on SMEs and provided free consultations on bookkeeping, financial statements preparation and other matters relating to compliance with taxation requirements.

*PICPA Cebu Chapter Officers and members adopted a school, Candagsao Elementary School at Olango Islands, Lapulapu City, Cebu. where they distributed books, school uniforms, school supplies and other Christmas Gifts to indigent children.*

## PICPA-CARD Mutually Reinforcing Institutions (CARD-MRI) MOA



*Among PICPA's social outreach endeavors, the PICPA – CARD-MRI Memorandum of Agreement (MOA) saw the creation of a nationwide partnership that works for the education of microenterprises transitioning to small entrepreneurship. The MOA, signed on November 23, 2017, is now being implemented all over the country. PICPA National President Atty. Zenaida P. Alcantara and CARD-MRI President Ms. Flordeliza L. Sarmiento signed the MOA.*

## Striding Steadily Towards 2020

In 2017, ISCA continued to make steady progress in its third transformation phase – Strategic Plan 2016-2018: Intensifying Global Prominence – and is on track to realise its 2020 vision of becoming a globally recognised professional accountancy body, bringing value to our members, the profession and the wider community.

## Adding Value To Membership

### Enhancing Global Recognition and Widening Networks



*Lee Fook Chiew, Chief Executive Officer of ISCA (left), receiving the Chartered Accountants Worldwide certificate for full membership from Pat Costello, Chairman of Chartered Accountants Worldwide.*

ISCA signed Reciprocal Membership Agreements (RMAs) with three founding members of Chartered Accountants Worldwide – Institute of Chartered Accountants in England and Wales (ICAEW), Institute of Chartered Accountants of Scotland, and Chartered Accountants Ireland in 2017. Under the RMAs, ISCA members who have attained the Singapore CA Qualification can become members of these globally recognised accountancy bodies without having to fulfill additional professional or educational requirement. With the RMAs, members now have greater career mobility and professional recognition in an increasingly globalised business environment.

### Crossing Borders into New Markets

The Institute shares its expertise with emerging markets in the region such as Myanmar and Laos, to co-develop the accountancy profession through capability-building programmes. By raising awareness of ISCA and its members in potential new markets, we connect and open up communications between Singapore accountancy firms and their regional counterparts, thus facilitating the internationalisation efforts of Singapore accountancy firms and our members.





This year, we hosted the first batch of senior Lao government officials in Singapore on a five-day training programme, supported by Temasek Foundation International.

ISCA will continue to reach out to emerging markets so that Singapore accountancy firms and ISCA members can benefit from our inroads into these relatively untapped markets.

### Preparing Members for the Future

The Institute identifies and communicates impending accounting and business issues to members. We also proactively address implementation challenges to new developments in accounting/ auditing standards, to prepare our members for a seamless transition.

### Moving to New Standards





## Sustainability Reporting Implementation Roadmap



One of the key changes of the new auditor's report is in the key audit matters (KAMs), which must now contain more insightful information. A joint study by Accounting and Corporate Regulatory Authority (ACRA), Association of Chartered Certified Accountants (ACCA), Institute of Singapore Chartered Accountants (ISCA) and Nanyang Technological University (NTU) titled "Embracing Transparency, Enhancing Value: A first-year review of the enhanced auditor's report in Singapore", examined the challenges of the first-year implementation of KAMs. ISCA will roll out new schemes to help members close the gaps they face in their implementation process.

Sustainability reporting (SR) is another area where ISCA has been providing significant support to members. SGX requires listed companies to produce a sustainability report on a "comply or explain" basis from the financial year ending on or after 31 December 2017. To help new and early-stage SR adopters in their SR journey, the Institute developed an "SR Implementation Roadmap" to help members cross the hurdles when producing their first sustainability report. Over time, SR will pave the way for more holistic corporate reporting.

## Levelling Up the Profession



Participants listening to See Hong Pek, Partner, PwC Singapore, as he explains the frameworks of crisis management and business continuity at an ISCA Breakfast Talk session



ISCA joins hands with stakeholders including other accountancy bodies, government agencies and regulatory bodies to raise the standard of the profession. For the second time, we collaborated with ICAEW on the "Our Future Together" initiative to discuss how education, training and professional learning could be redefined to better develop and prepare professional accountants for the future economy. A joint report entitled "Industry Perspectives: Future of Professional Learning and Entrepreneurship" highlighted attributes such as technological know-how, critical thinking, interpersonal skills and creativity were expected of future accountants as they take on new roles in the future economy.

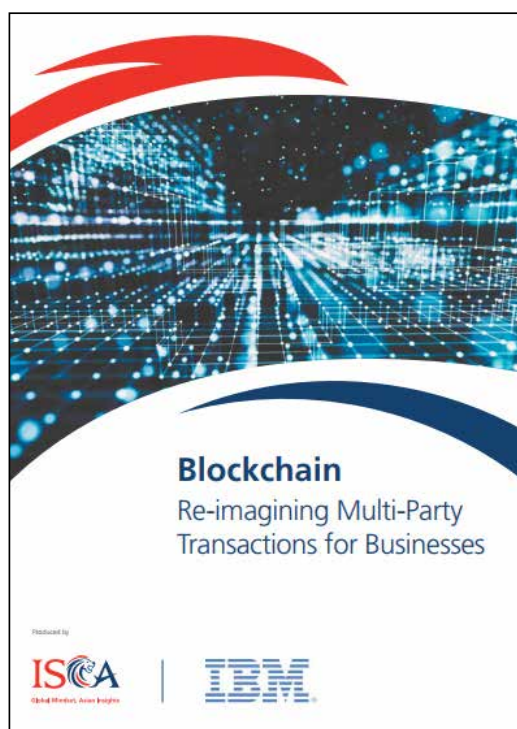
## Specialisation Pathways

Our members have benefited from the ISCA-CIMA (Chartered Institute of Management Accountant) Pathway, a fast-track opportunity for members to attain the prestigious Chartered Global Management Accountant (CGMA) credential. A recent MoU between ISCA and the Association of International Certified Professional Accountants (formed by CIMA and American Institute of Certified Public Accountants) gives holders of the CGMA designation and ISCA members mutual access to training and development opportunities, thus enhancing their skills to navigate a complex and fast-changing world.



*ISCA and Association of International Certified Professional Accountants signed an MoU to provide members of both organisations with reciprocal access to each other's continuous professional development programmes and activities at preferential rates; (front row, 4th to 6th from left, respectively) Lee Fook Chiew, ISCA CEO; Gerard Ee, ISCA President, and Andrew Harding, Chief Executive – Management Accounting, Association of International Certified Professional Accountants, with the event attendees*

## Enhancing Technical Excellence and Advocacy



In today's technology-driven era, new knowledge and skills in areas such as data analytics, cybersecurity, coding (example, python for business) and blockchain are in demand. To address this emerging demand, ISCA has been rolling out continuing professional education (CPE) courses covering these topics. To further drive the Institute's plan to improve the relevance and value of ISCA's CPE programmes, a new CPE Committee was set up in early 2017. The Committee is tasked with providing strategic guidance on the development of CPE programmes and aligning them with the Skills Framework for Accountancy. The Committee is also responsible for identifying emerging training needs and translating them into CPE programmes to ensure that members are properly equipped for the challenges and opportunities ahead.

Blockchain, which is growing in prominence, is the subject of a joint ISCA-IBM publication "Blockchain: Re-imagining Multi-Party Transactions for Businesses" shedding light on how blockchain can be applied in business.





Running an accountancy firm is akin to running a business, and the Fifth SMP Dialogue touched on some of the transformational strategies SMPs could adopt to renew their business models. From keeping in touch with the evolution of the business environment to HR practices which encourage the best from each employee, the event urged SMPs to examine how disruptive innovation can be leveraged to bring their business to the next level.

As the Institute makes further headway towards our 2020 vision, we will continue to intensify our global prominence. This heightens the professional standing of our members, providing them with greater access to a multitude of career options worldwide. We will also continue to develop initiatives to help our members prepare for the new economy, keeping them abreast of the latest accounting and business issues and developments.



In Oct 2004, Federation of Accounting Professions (FAP) was established under Accounting Professions Act and became independent legal organization embarked on direction of the profession. In order to be a leading professional accountancy body and to develop accounting practitioners in order to provide services ethically, professionally, and to be ready for international working environment, FAP focuses on these 4 major activities in FAP as follow:

1. Keeping members updates on International Standards
2. Collaborating with Other Organization to Strengthening Thai Professional Accountants
3. FAP supports to drive Thai Accounting Profession towards Thailand 4.0
4. Continuing Professional Development (CPD)

### Keeping members updates on International Standards

#### Thai Financial Reporting Standards (TFRS)



Thai Financial Reporting Standards (TFRS) are updated in accordance with IFRS Bound volume 2017, which are announced in the Royal Gazette and are effective date on 1 January 2018. Regarding IFRS for SMEs, it is in the process of reviewing the effects and setting implementation plan which will be effective on 1 January 2019.

#### World Standard-setters Conference 2017



On September 25-26, 2017, Associate Professor Dr.Somchai Supattarakul, Chairman of Thai Accounting Standards Board and Ms.Unakorn Phruithithada, the director of Thai Accounting Standards Board from FAP, National Accounting Body of Thailand, and a member of the IFRS Foundation, attended the World Standard-setters Conference 2017 in London, UK. The conference interpreted about the policies, plans and trends for the development of International Financial Reporting Standards.

## Adoption of International Standard on Auditing (ISA) in Thailand

International Standard on Auditing 250 (Revised), Consideration of Laws and Regulations in an Audit of Financial Statements, was completely translated into Thai language and the final draft was published on [www.fap.or.th](http://www.fap.or.th) under the name “Thai Standard on Auditing (TSA) 250 (Revised), Consideration of Laws and Regulations in an Audit of Financial Statements” since June 2017. The effective date of this TSA will be for audits of financial statements for periods beginning on or after December 15, 2018 (1 year after ISA), which has been approved by the Auditing Profession Committee. The plan to publish a completed version of this TSA is within year 2018, no later than the effective date, which is now in the process of consideration by FAP Board.

## The Establishment of Audit Quality Enhancement and Development Subcommittee (AQEDS)

The establishment of new Audit Quality Enhancement and Development Subcommittee (AQEDS) was completed in August 2017. It comprises of 10 members who have more experiences in auditing. This subcommittee supervises QA team in audit quality assurance activities including develop a manual, rules, guideline, and system for audit firms’ monitoring. Moreover, this subcommittee supervises Certificate Public Accountants (CPA) to perform according to the Professional Standard and Quality Control Standard.

## Quality Audit Practice

In January 2017, Audit Quality Oversight Subcommittee (AQOS) had resolution of the meeting to arrange the seminar for auditors who age over 80 years in topic “Quality Audit Practice” that will help the auditors updating and understanding the Professional Standard and audit concerns. This seminar was arranged in March 2017 which had the number of participates of 214 auditors. However, AQOS had completed its 3-year term in June 2017.



## Collaborating with Other Organizations to Strengthening Thai Professional Accountants

During the year 2017, FAP has collaborated with many organizations in Thailand and overseas to strengthening Thai Professional Accountants.

### Memorandum of Understanding Signed Between FAP and ISACA Bangkok Chapter

The signing of the Memorandum of Understanding between FAP and Information System Audit and Control Association (ISACA) Bangkok Chapter was held on 10 April 2017.



The memorandum aims to establish academic collaboration in co-hosting of seminars and panel discussion and in other areas in order to enhance the quality of internal auditor and IT auditor in Thailand.

### IFAC Chief Executive Officer

On January 25 2017, FAP welcomed Mr. Fayez Choudhury, IFAC Chief Executive Officer to discuss about the development of accounting profession in Thailand and the collaboration among the two organizations.

### Asian Corporate Governance Association (ACGA)

On 9 March 2017, delegates from ACGA visited FAP to discuss the findings of CG Watch 2016 of Thailand, of which Thailand was the 5th rank for the company's corporate governance in the capital markets of Asian countries.

### IFAC-SMO Workshop

On July 15, 2017, representatives from the Federation of Accounting Professions (FAP), National Accounting Body of Thailand, and a member of the International Federation of Accountants (IFAC) and ASEAN Federation of Accountants (AFA), attended IFAC Statements of Membership Obligations (SMO) Workshop Realizing the Power of PAOs: Credibility, Competency, and Collaboration in Vietnam. It was good opportunities to exchange knowledge, experience in developing and applying international standards, and promoting sustainable professional development.

### SPRING - ISCA Business Study Trip



FAP gave warm welcome to SPRING – ISCA Business Study Trip to Thailand on 20 - 21 July 2017. The business study mission aims to foster greater collaboration between professional accounting firms in Singapore and Thailand, and to strengthen the profession across the region. It would be a great opportunity for accounting firms from both countries to meet and explore how they can work together.



There were 20 managing and senior partners from Singapore joined the trip. On 20 July 2017, they were brought to FAP to learn about Thailand Public Accounting firms and challenges faced by SMPs in Thailand. On 21 July 2017, FAP supported 20 Thai SMPs to join the 1-on-1 Business Matching Event. Thai SMPs and Singapore SMPs met and discussed business opportunities together at the Pullman Bangkok Grand Sukhumvit.

### Guideline for Government Official Manual

Mr. Prasert Wangrattanapranee, Chairman of the Accounting Professional Board was a representative of the Federation of Accounting Professions to join sub-committee for preparing a manual for government officials at the NCC Office. The project will be completed within 6 months from June 2017. The aim of the project is to set the standard for government officers, whose work as professional engineers, architects and accounting. The competitiveness in providing services will be fair and effectiveness.

### Thailand Accounting Challenge 2017



On January 21 2017, FAP held The 5th Thailand Accounting Challenge to promote the accounting knowledge for undergraduate students in accounting program from all over the country. There were 148 teams from 81 universities participated in this challenge. First runner was Chulalongkorn University team.

### FAP supports to drive Thai Accounting Profession towards Thailand 4.0

FAP worked very hard to enhance Thai Professional Accountants' capabilities and competencies to support Thailand 4.0.

### The Panel Discussion “Internal Audit in Disruptive Technology”



The panel discussion on topic “Internal Audit in Disruptive Technology” was held on 23 March 2017. The event was attended by 150 participants. This panel discussion was opened by a speech from Mr. Prasan Chuaphanich, former FAP President and followed by a keynote speech from representative from Bank of Thailand and a leading Thai IT Company in the topic “IT Risk and Control” and “The Stock Exchange of Thailand (SET) IT Security Policy” respectively.

The participants also had opportunity to share their opinion and experiences in topic “CAE in Disruptive Technology” with Chief Audit Executive (CAE) from leading organizations in government sector, private sector and banking sector and kept themselves up to date with advances in technology which would directly and indirectly affect the work of professionals. It was enable professionals to get ready for the evolution and changes in order to be able to contribute to disruptive technology.



#### MOU on the Payment to FAP at Counter Services in Thailand



The President of FAP, Mr.Chakkrit Parapuntakul, signed the MOU on “the payment to FAP at Counter Services” with Vice Managing Director of the Counter Services Company Limited, Mr.Weeradej Acrapolphanich, on 14 December 2017 at FAP Building. This MOU facilitated FAP members to pay any fee via counter services at anywhere more than 12,000 branches in Thailand and fulfilled FAP on-line system.

## MOU on Reading Registration of People Data from ID Card



FAP signed the MOU on “the reading registration of people data from the central database through ID card” with Department of Provincial Administration. The purpose of the collaboration is to support the aim of E-Government throughout Thailand 4.0 technology. The reading system will reduce time to identify person’s identity as well as faster the process in providing services to our members.

### Continuing Professional Development (CPD)

FAP implemented the annually 40 hours of CPD starting from January 2017. The number of hours collecting in each year aligned with the International Educational Standard (IES). To ensure that Thai Professional Accountants are prepared to learn and equipped with the recent accounting standards, ethics, and cross – knowledge. Also, they are able to use technology as a tool to ease of providing Accounting services.

### Highlighting CPD Courses

- Audit technics for bank and other related balances
- Using Microsoft Excel as Audit Tool
- Financial Statements Review for Internal Auditors
- International Control Framework for Internal Auditors as Business Consultants
- The Ten Commandments of the Accountants in AEC (revised 2016)
- Corporate Fraud Prevention
- Orientation: CFO Focus on Financial Reporting to the 2nd edition
- TSQC1 in-depth workshop

During 2017, FAP has been working hard to update Thai Accounting Standards, work in collaboration with various organizations and launch various programs to enhance Thai Professional Accountants’ capabilities and competencies and the Accountancy Body to be International recognition.



## Organizational Structure and Membership of VAA

Vietnam Association of Accountants and Auditors (in short VAA) is a socio-professional organization of organizations and individuals engaged in accounting and auditing in Vietnam. VAA was established under Decision of Prime Minister of Vietnam numbered 12/TTg dated 10/01/1994, approved by the Ministry of Home Affairs of Vietnam in the Decision No. 1318/QĐ-BNV dated 21/09/2009.

### Organizational Structure of VAA

VAA has 6 departments

1. Department of Scientific Research and Social Reviewer
2. Department of Organization and Membership Management
3. Training Department
4. Communication Department
5. International Cooperation Department
6. Department of Practice Supervision and Accounting Professional Ethics Control

VAA has 25 organizational members

No.	Name of organizational member	Established Year	Number of Member
1	The National Chief Accountant Club	1994	703
2	Ha Noi Accounting Association	1994	2.200
3	Ho Chi Minh Accounting Association	1994	816
4	Ha Phong City Accounting Association	1995	300
5	Can Tho Accounting and Auditing Association	2004	37
6	Hai Duong Province Accounting Association	2001	170
7	Thua Thien Hue Province Accounting Association	1996	42
8	Thai Nguyen Province Accounting Association	2008	50
9	Dac Lac Province Accounting Association	1995	220
10	An Giang Province Accounting Association	2015	35
11	State Budget Accounting Association	2001	5000
12	Geological Accounting Association	2013	220
13	Industry and Commerce Accounting Association	2008	382
14	Postal Accounting Association	1994	1.406
15	Academy of Finance Accounting Association	1996	80

16	National Economics University Accounting Association	1996	25
17	Ha Noi Agricultural University Accounting Association	2008	59
18	Vietnamese Association of Public Accounting Practice (VICA)	2012	115
19	Accounting Association of National Interdependent Audit Limited Company	2008	10
20	Accounting Association of Thai Nguyen Steel Company	1996	105
21	Accounting Association of Vietnam Auditing Partnership Company	2005	20
22	Taxation Accounting and Financing Association TAXCO	2014	10
23	Association of Accounting and Auditing Hanoi University of Business and Technology	2016	122
23	Accounting Association of Vinh University	2016	17
24	Accounting Association of Accounting and Financing Consultant Limited Company	2007	n/a
25	Accounting Association of MISA JSC Company	1994	n/a

### Representatives of VAA to AFA

- VAA is Primary Member of AFA, was used to be and achieved success role of Vice President of AFA for the term 2002-2003, Chairman of AFA 2004-2005, successfully organized the 14th AFA Congress in Hanoi in 2005.
- Currently, Associate Professor Dr. Dang Van Thanh - VAA Chairman, Mr. Pham Cong Tham, Vice President and General Secretary of VAA and Mr. Tran Thanh Tung, In charge of the International Cooperation Department of VAA are Council Members of AFA.
- Join the AFA Working Committee 1 and 3.

### Major Activities of VAA in 2017 and Some Activity Pictures

#### Association Development and Membership Management

Leadership of the Association has directed:

- Implementing the Resolution of the 6th Central Conference, the 4th Executive Conference, the fifth session of the fifth session and the Congress of the 5th Congress;
- Assign tasks to the members of the Central Executive Committee and members' associations to organize professional activities, member management and professional training;
- Organize meetings of the Standing Committee and Central Committee to discuss the major tasks of the Association, especially the training tasks of the Central Association and the levels of associations and tasks of foreign affairs and propaganda tasks, the task of strengthening the association; and
- Adopt new member is Vinh Phuc Province Accounting Association. We are promoting the establishment of the State Auditing Association, the Accounting Association of Quang Binh, Binh Dinh, Nam Dinh, Quy Nhon University, Da Nang University.
- Some member associations have well done, strengthening the members of the Executive Board and promote the activities of the Association (Ha Noi, Ho Chi Minh City, Accounting Association, State Budget Accounting Association, VICA, Industry and Commerce Accounting Association, The National Chief Accountant Club).

## Scientific Advice and Social Feedback

- Joining with the National Assembly on the Law on Planning, SME Law, Anti-Corruption Law, Public Debt Management Law, Competition Law, and Law on Credit Institutions.
- Participating in the Decree amending and supplementing the Decree no. 105/2013/ND-CP dated 16 September 2013 of the Government on sanctions against administrative violations in the field of accounting and auditing, Decrees and Circular on guiding the implementation of the Accounting Law, the Enterprise Law, participating in the draft circular on the examination of accountants and auditors; to participate in the draft of the accounting regime for micro enterprises, to give comments on the reform of administrative procedures at the ministries and localities;
- Comments on the draft Decree amending and supplementing Decree No. 100/2016/ND-CP and Decree No. 12/2015/ND-CP on VAT;
- Contributing comments on the draft decree on invoices and e-invoices;
- Studying and commenting on the draft circular guiding the registration and conversion of VAT calculation methods and the accounting regime applicable to micro enterprises;
- Recommendations for additional policies and measures to handle illegal invoices;
- Technology dissemination activities have been carried out: disseminate new contents on accounting law, tax laws, social insurance law, health insurance, and other legal policies.





## Accounting Practice Management

- To transfer the verification of dossiers and publicize the list of qualified accounting enterprises and accountants for practice and service delivery control from 2017 to the Finance Ministry according to the circulars of The Ministry of Finance guiding the implementation of accounting law 2015.
- Organizing the review of 10 years of accounting services and accounting practice management in the year 2007-2016, orienting the development of the accounting services market and enhancing professional activities in the coming time.
- To study and change the name of the Accounting Practicing Management Department into (hereinafter referred to as the Advisory Board, the Supervisory Profession and the Accounting Ethics)
- Nghiêu Cuu Doi Ten Ban Quan Ly Hanh Nghe Ke Toan Thanh Department of Practice Supervision and Accounting Professional Ethics Control.



Year-end review of the accounting practice management department



Summary Event of 10 years of accounting services

## Training Activities

- The 6<sup>th</sup> meeting of the Central Committee confirmed the need to research and develop the professional accounting training program in Vietnam, based on the IFAC training standards, as a basis for mutual recognition of certification on practicing accountants in the ASEAN economic community. Strengthening and diversifying forms of training, contents of training and addition of new training contents according to the provisions of Accounting Law 2015.
- A training workshop was held to share experiences in developing curriculum with ACCA and ICAEW. Cooperate with IMA to organize a workshop on management accounting, with the Australian CPA on internal audit.
- Implementing the VAA's resolution, member associations and agencies under the Central Association has promoted the training and updating knowledge for members. The Research and Scientific Advice Centre has organized 25 training courses for small and medium enterprises for more than 2,000 students, certified accountant examination class with 140 students, chief accountant class with 70 trainees (total 2,505 trainees). The Practice Management Department has cooperated with VICA to organize 3 courses for examination of certified accountant for 150 trainees, 23 classes for knowledge updating for 1,814 turns of accountants, practicing auditors and certified accountant (total 1,964 trainees).
- Cooperated with CPA Australia to organize training courses on internal audit knowledge in accordance with international standards; Cooperated with ICAEW to open 2 training courses on International Accounting Standards (IFRS) for practicing accountants, accounting delivery companies, accountants of state corporations, universities, colleges and members (in Hanoi and Ho Chi Minh City); Cooperate with ACCA to organize knowledge updating for members of two Associations and accounting staff of state corporations, enterprises, and colleges.
- Member Associations have organized many training courses and short-term and long-term training courses for members such as Ho Chi Minh City Accounting Association (30 short-term courses, 7 long-term courses: training chief accountants, courses for examining of tax officials and certified accountant. The Accounting Association of Hanoi organizes hundreds of short-term training courses for its members, enterprises and administration

and non-profit organizations. The Accounting and Finance Industry Association organizes training courses for its members, enterprises and administration and non-profit units of industry and trade.

- Participating in certified accountant and auditor examinations 2017.



VAA joins CPA Australia to hold the Internal Auditing Class in accordance with international standards and experience for Vietnam



Training Course of VAA

### Activities of the National Accountants Club



the 47th National Accountants Club Meeting at Quy Nh n

The Management Board of the Club has successfully organized the 47th National Accountants Club Meeting in Quy Nhon City, Binh Dinh Province with the participation of nearly 200 members. The meeting was attended and the support by the Leaders of Departments of the Ministry of Finance, the attention of the Leaders of the People's Committee, the departments of Binh Dinh Province and the Leaders of the VAA. At this event, there were 6 chief accountants of the units honored.





the 48<sup>th</sup> National Accountants Club Meeting at Đà L t

Management Board has been strengthened, (adding one member and one deputy head of the board). Successfully held the club's 48<sup>th</sup> anniversary in Da Lat, at which five chief accountants were honored.

## Communication Work

- Issue Monthly Journal of Accounting and Auditing with 3,000 copies/number. Journal quality has been respected both in form and content. Celebrated the revolutionary press day in Vietnam.
- Well maintained two pages: website vaa.net.vn and <https://www.facebook.com/hoiketoankiemtoanvaa.vn>. The operation of the two pages has improved. The quality of the content, the content of the two news articles are improved and the more rich articles (transferring information about the regimes, policies, laws, articles, questions answered by the members.
- The Association has provided newsletters on new legal regimes/policies and monthly accounting and auditing journals to the members of executive committees and its member associations.
- Some member associations have set up and operate the website serving members' activities (VICA, Ho Chi Minh City Accounting Association, Vinh Phuc Accounting Association. The coordination of information sharing between news sites, and writing articles reflecting the activities of the member associations has not been regular.



12 issues of Journal of Accounting and Auditing are published by VAA in 2017

## Foreign Affairs



IFAC leaders visited and worked with VAA



The signing ceremony of cooperation between VAA and ICAEW



- Awareness of the importance of external relations, the Association held a conference the Standing Committee expanded on the external affairs, International Cooperation Department has assigned specific tasks for the members of the department on information processing, implementation of VAA's periodic reporting on VAA external affairs, meeting VAA program reporting requirements for AFA, IFAC and VAA activities on the Forum of AFA, IFAC. Officials were assigned to join the Accounting Standards Board and AFA's member capacity building committee (the AFA Working Committee 1 and 3).
- Received and worked with IFAC representatives on issues related to VAA relations with IFAC, increased understanding and expanded the relationship between the two organizations.
- Attending the 20<sup>th</sup> AFA Congress and celebrating the 40th anniversary of AFA.
- Attend the AFA 124th Council Meeting in Brunei, 125th in Laos.
- Attend the the AFA Working Committee 3.
- Completed the SMO report and the action plan of the member organization as required by the IFAC.
- Completed the obligation to member fee the year 2017 to the AFA, IFAC.
- Cooperation Agreement signed between 2017-2019 with international professional organizations such as: ACCA, IMA, ICAEW. Organizing seminars, training activities and participating in ACCA, IMA, ICAEW, CPAA, CIMA activities in Vietnam.



Signing ceremony of cooperation between VAA and IMA



Signing ceremony of cooperation between VAA and ACCA



CPA Australia's sphere of operations includes a clear footprint across Southeast Asia making AFA an important platform for us to develop our reach and influence on the people, the organisations and the profession. With our offices in Malaysia, Singapore, Indonesia and Vietnam joining other offices globally to support our 160,000 members, we continue to bring value to the accounting profession through our experience, innovation and contemporary relevance in business, education and the public sector.

### Singapore

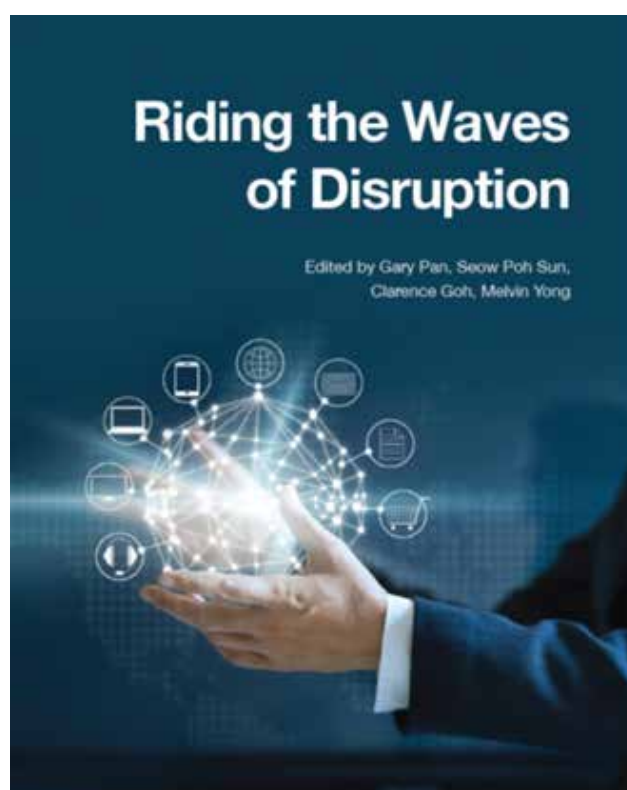
#### Riding the Waves of Disruption

In April, CPA Australia partnered with Singapore Management University to produce a toolkit that shares practical knowledge on disruption and its impact on businesses. The publication brought together the insights of stakeholders and subject matter experts from accounting, business and academia, and explored issues including:

- developing new capabilities to meet the challenges of disruption
- leveraging digitalisation to enable innovation
- how to cultivate entrepreneurship and a disruptive culture
- building transformational business models
- grooming the next generation of finance professionals to thrive in disruption

A full copy of the toolkit can be found here:

<https://www.cpaaustralia.com.au/~media/corporate/allfiles/document/training/singapore/riding-the-waves-of-disruption.pdf?la=en>



### Malaysia

#### Extension of Memorandum of Understanding with the Malaysian Institute of Accountants

CPA Australia has extended its Memorandum of Understanding (MoU) with local regulatory body, the Malaysian Institute of Accountants (MIA), further demonstrating its commitment to develop the accounting profession in Malaysia. The extension was signed in May 2017 and introduces a new pathway for MIA members with 5-10 years of membership to obtain full CPA Australia membership status. CPA Australia Malaysia Division President Teresa Chong and then MIA President Dato' Mohammad Faiz Azmi sealed the MoU.



The MoU was first signed in 2014 to provide an opportunity for senior MIA members with more than 10 years of membership to become CPA Australia members.

## Vietnam

### Workshop on Issues Arising from Weak Corporate Governance

CPA Australia South Vietnam collaborated with the Ho Chi Minh Stock Exchange (HOSE) to host a workshop titled “Issues arising from weak corporate governance – the role of the audit committee and internal audit”. The event attracted 200 representatives from local companies and marked a milestone in CPA Australia’s strategic partnership with HOSE.

At the event, Mark Chau (Regional Manager, Acquisition Strategy - International and Emerging Markets - Business Development at CPA Australia) presented Volume 1 of the Corporate Governance Case Studies series to Tran Anh Dao, Executive Vice President of HOSE.



### CPA Australia and Hanoi Stock Exchange Sign Cooperation Agreement



CPA Australia and Hanoi Stock Exchange (HNX) signed a Cooperation Agreement in May 2017, establishing a formal framework for implementing various cooperation initiatives and activities. Both parties agreed to enhance their cooperation by contributing to the advancement of the stock market, their respective members and the accounting profession in Vietnam.

The signing ceremony was witnessed by Layton Pike, Deputy Head of Mission of the Australian Embassy in Vietnam and Dr Nguyen Thanh Long, Chairman of HNX and leaders of the State Securities Commission.



## Indonesia

### Certificate Presentation and MoC Signing Ceremony



In December, CPA Australia Indonesia held a certificate presentation ceremony to recognise newly advanced CPA and FCPA members. The event also included the signing of a Memorandum of Cooperation (MoC) between CPA Australia and the Universitas Islam Indonesia (UII).

Representatives from the Ministry of Finance, local accounting institutions, CPA Australia's Recognised Employer Partners, and local universities attended the event.

The MoC was signed by Mark Chau, Regional Manager for Acquisition Strategy – International and Emerging Markets, CPA Australia and Dr Nandang Sutrisno, Rector, UII.

### IAI International Seminar



In December, Toh Beng Siew, Chief Financial Officer of IBM Malaysia and a council member of CPA Australia Malaysia Division, spoke at the Institut Akuntan Indonesia's (IAI) 60<sup>th</sup> anniversary international seminar in Semarang, Indonesia. Speaking in a panel session on the transforming role of professional accountants in the digital era, Beng Siew shared how the digital era has expanded the meaning of globalisation by enabling immediate deployment of knowledge-based services including accounting and the services it can serve. Her presentation stressed the need for strong transformational leadership that embraces disruptive technology to spearhead better, smarter and more efficient delivery of services among finance professionals.

## Laos and Cambodia

### IFRS Workshop in Laos and Cambodia

CPA Australia collaborated with the Lao Chamber of Professional Accountants and Auditors (LCPAA) and EY Cambodia to organise a series of IFRS workshops in July. The workshops attracted nearly 250 regulators, members of local professional bodies, leaders from local and foreign banks and financial institutions, as well as accounting and auditing professionals.

The workshops covered key features of the IFRS framework for the preparation of financial statements, including an overview of the focused areas of IFRS reporting.



## Philippines

### IFRS Workshop in Philippines



CPA Australia collaborated with the Board of Accountancy and The Philippines Institute of Certified Public Accountants to organise IFRS workshops in July 2017. The workshops attracted nearly 200 regulators, members of local professional bodies, leaders from local and foreign corporations as well as accounting and auditing professionals.

The workshops covered key features of the IFRS 15 and 16 standards including interpretation and application, along with an overview of the global development and adoption on IFRS updates.



Chartered Accountants Australia and New Zealand (CA ANZ) has more than 120,000 members who use their skills every day to make a difference to businesses in Australia, New Zealand and many other countries.

Our members are known for their professional integrity, principled judgment, financial discipline and a forward-looking approach to business. This suite of attributes makes an important contribution to the prosperity of our nations.

As a member-focused organisation, CA ANZ's priority is to maintain and enhance the pre-eminence of the CA designations. Other key functions include providing opportunities to our members for education, lifelong learning and professional development. We also see our role as advocating on issues of national and international relevance to our members in order to make a positive and meaningful difference to our economies, our members' clients, and the communities where they live and work.

### Corporate Update

Accomplished businessperson Rick Ellis joined CA ANZ as Chief Executive Officer in August 2017. At the request of its Board and under his leadership, CA ANZ undertook a strategic review. Extensive feedback from members and key stakeholders contributed to a detailed plan to position our members for future global opportunities and challenges. The Board and Council endorsed CA ANZ to progress into the next phase of business development and planning for implementation for 2018, and beyond.

In addition to the work done on the strategic review, CA ANZ continued to invest in initiatives critical to supporting our members in the future.

### Strategic Alliance

In June 2017, CA ANZ celebrated the first anniversary of its strategic alliance with the Association of Chartered Certified Accountants (ACCA), connecting CA ANZ members with their global peers.

As part of the alliance, CA ANZ and ACCA co-sponsored research with the ASEAN Federation of Accountants on small and medium-sized businesses, awarding a research grant to the University of Canberra to study the key institutional environment of small and medium enterprises (SMEs) and expected roles of accounting profession in ASEAN.

The outcomes of this research were presented in Laos at the recent Lao Chamber of Professional Accountants and Auditors (LCPAA) Conference as well as the 125th AFA Council Meeting. We now welcome the next phase of this project to progress outcomes and recommendations. Both ACCA and CA ANZ were also sponsors of the LCPAA Conference and provided two keynote speakers.

### Engagement with Asia

In the past year, CA ANZ continued to engage members in Asia, hosting a number of events that offered unique global insights.



## Events

### Train the Trainer session – Audit for Academics (Malaysian Institute of Accountants)

In January 2017, CA ANZ sponsored The University of Sydney Business School Accounting Lecturer Angela Hecimovic to present at a Train the Trainer session – Audit for Academics conducted by Malaysian Institute of Accountants (MIA). More than 60 attendees from 20 Malaysian universities participated in the session which focused on topics including; Technological Impact to the Accounting and Auditing Profession and Current Accounting and Auditing Issues.

### Presidents' Tour

In July 2017, CA ANZ President Cassandra Crowley FCA embarked on a tour of Asia where she held a number of discussions with members. Her itinerary included an event at the Grand Summit, Connexions Conference and Events Centre in Kuala Lumpur that was attended by 129 members and guests. The CA ANZ President also presented a number of awards including New Member Certificates, Milestone Certificates and Fellowship Certificates to members. Similar events were also held in Singapore and Hong Kong.

### Asia Roadshow



In May 2017, future[inc] paper The Future of Trade was launched in Singapore, Malaysia and Hong Kong. In Singapore, the event was hosted at the residence of Australian High Commissioner to Singapore, His Excellency Bruce Gosper, who was also a panelist at the event. In October 2017, future[inc] paper The Quest for Prosperity: Shaping the future of our regions was launched in Asia.

### Malaysian Institute of Accountants (MIA) International Conference

CA ANZ was a silver sponsor of the Malaysian Institute of Accountants International Conference 2017. Held in November 2017, the conference – which was one of the largest accounting events in the region – was attended by close to 3,000 delegates and 60 speakers. The focus of the event was Expanding horizons: Be future relevant. An exhibition was also held alongside the conference with CA ANZ and the Malaysian Institute of Certified Public Accountants (MICPA) sharing a booth to promote the MICPA-CA ANZ Programme and World Congress of Accountants to be held in November 2018.

### MICPA-CA ANZ Audit Forum and Excellence Awards

On 2 November 2017, CA ANZ Councillor Dato' Richard Azlan Abas attended the MICPA-CA ANZ Audit Forum and Excellence Awards in Kuala Lumpur.

More than 70 audit practitioners attended the event which also featured CA ANZ's Policy and Thought Leadership Leader, Geraldine Magarey as keynote speaker. Dato' Richard Abas presented certificates and awards to students of the MICPA-CA ANZ Programme, including 82 graduates receiving their Examination Certificates and more than 30 students who received awards and certificates of merit recognising outstanding academic achievements.



## Publications and Thought Leadership

CA ANZ continued to provide global and local insights into the Asia Pacific region in articles in CA ANZ's flagship business magazine Acuity; Growing Asia's knowledge economies; Australia, the TPP and US engagement in Asia-Pacific and a members-only exclusive article by Australian Minister for Trade, Tourism and Investment, the Hon Steven Ciobo Asia: engine of the world.



### Australian Trade Minister Steve Ciobo to consolidate ties with Asia

27 MAR 2017

Australia is continuing its economic pivot to Asia, described by Trade Minister Steve Ciobo as the "engine of the world"...



### Growing Asia's knowledge economies

1 DEC 2016

Rising demand from Asia for management and consulting services provides a growth opportunity for Australian professional services firms...



### Australia, the TPP and US engagement in Asia-Pacific

7 FEB 2017

CA ANZ's future[inc] thought leadership programme continued to serve the profession in 2017 by positioning chartered accountants as leaders, innovators and trusted advisers in business and finance. It seeks to advance the public interest and contribute to the discussion on perspectives that matter to our future prosperity. The following reports were released in 2017:

**The Future of Blockchain:**  
(February 2017)



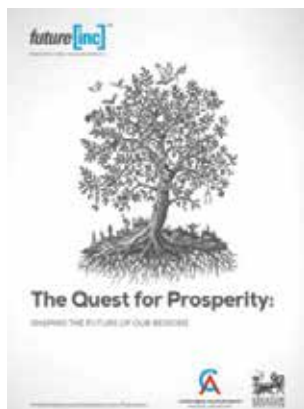
**The Future of Trade:**  
**Are we ready**  
**to embrace the opportunities?**  
(March 2017)



**The Regulator of 2030:**  
**Regulating our digital future**  
(June 2017)



**The Quest for Prosperity:**  
**Shaping the future of our**  
**regions** (October 2017)



**The Quest for Prosperity:**  
**Shaping Australia's future**  
(October 2017)



**The Quest for Prosperity: How**  
**can New Zealand keep living**  
**standards rising for all?**  
(October 2017)



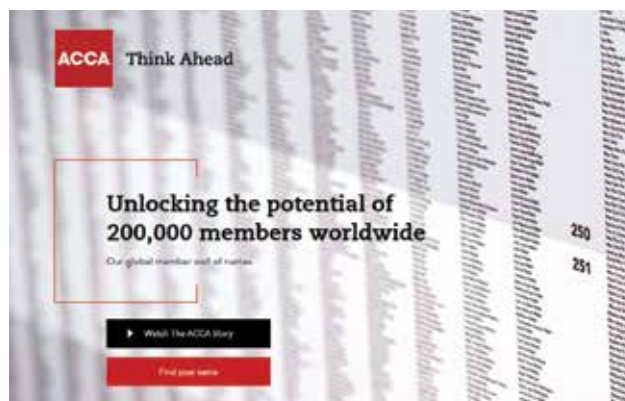
**The Future of Talent: Opportunities**  
**Unlimited** (November 2017)





### ACCA Celebrates 200,000 Plus Members & More

ACCA reached the groundbreaking milestone of 200,000 members in October 2017 since our founding 113 years ago. A global campaign has been launched inviting all our members to celebrate this milestone.



### Hong Kong's Leo Lee FCCA Elected as New global President of ACCA on 30 November 2017

Leo was elected to ACCA Council in 2006. He is active on a number of standing committees and was the Chairman of the Market Oversight Committee and Remuneration Committee and Vice Chairman of Qualification Committee as well as a member of Audit Committee, the Governance Task Force, and as an elected member of Nomination Committee.

### ACCA Wins Overall Best Association Award at The Association Excellence Awards

ACCA has won the overall best association award at the Association Excellence Awards at a ceremony held in London on 31 March 2017. ACCA was recognised for providing opportunity and access to people of ability around the world and support for its members throughout their careers.

### ACCA-X Wins its 6<sup>th</sup> Award at the Association Excellence Awards

ACCA's online learning platform has won its 6th accolade in a year at The Association Excellence Awards at a ceremony held in London on 31 March 2017. Awarded in the best training initiative category, ACCA-X is a digital learning programme with over 175,000 registered users from 232 countries and territories.

### ACCA Professional Insights Website and App Wins at the Digital Impacts Awards

ACCA has won the Best use of digital from the education sector award at the Digital Impact Awards 2017 held in London on 17 October 2017. The award recognised the transformation of Professional Insights' online presence with a new, rich-media focused digital strategy, which includes the new website hub, PI app and engaging assets for social sharing.

## ACCA and CA ANZ Marks the First Year of Their Alliance

ACCA and CA ANZ celebrated the one-year anniversary of their strategic alliance together in June 2017 by planning a series of professional insights and technical research that will contribute to the development of the profession and business worldwide.

Reports that have been issued include one on G20 public trusts in tax and another on Directors responsibilities for financial reporting.

To further strengthen the collaboration, ACCA and CA ANZ have also co-located our offices in UK (London), Singapore, Malaysia (Kuala Lumpur), Hong Kong and Australia (Sydney).

## ACCA Held First Global Regulatory Conference

ACCA hosted its first International Regulatory Development Conference in London attended by delegates from Africa, Asia & Europe. The principal purpose of the conference was to inform and encourage those that have the authority to effect, or at least influence, regulatory reform. ACCA specialists covered the key components critical for a system of effective regulation which include a sound regulatory framework, standards and rules, licensing, quality assurance, disciplinary mechanisms, and financial statement review.



## Research & Insights Updates



ACCA published 27 global research reports during 2017 and a range of country or region specific reports. These are all published on the ACCA website. Key highlights are provided below.

## ACCA Report Offers Scenarios and Solutions to Digital Ethical Challenges

ACCA's latest research in the Professional accountants - the future series urges organizations to put ethics at the heart of securing public trust in the digital age.

The report draws on global survey results (158 countries); in-depth roundtable discussions in Australia, China, Kenya, Nigeria, Republic of Ireland, Russia, Singapore, UAE and the US, as well as the experience and expertise of ACCA's Global Forum members, to examine the ethical challenges raised by new technologies.

## ACCA Further Examines 'Generation Next' in New Report

ACCA released a new report in November, titled Generation Next: Managing Talent in Small and Medium Sized Practices. The report represents a follow-up to the Association's 2016 "Generation Next" global survey, which polled approximately 19,000 members and students, age 16 to 39 years old, on the career aspirations of young finance professionals. Managing Talent in Small and Medium Sized Practices polled almost 1,300 respondents from that global study, who are currently working for small or medium-sized accounting firms.

## ACCA Report Examines the Progression and Challenges Faced with the Implementation of IPSAS

A recent report from ACCA has called for governments, public sector entities and the accounting profession to work together to assist in the implementation of International Public Sector Accounting Standards (IPSAS) around the world.

The report: IPSAS implementation: current status & challenges, notes that the adoption of IPSAS has the potential to radically change accounting and financial reporting in public sectors around the world, and particularly in developing countries. It also notes that professional accountancy organisations should consider the role they can further play in raising awareness of the need for transparent financial reporting in the public sector.

## Education Updates

### ACCA Debuts Enhanced Education Module on Ethics and Professional Skills

ACCA launched its new Ethics and Professional Skills Module focused on developing vitally important ethical behaviour and judgement to ensure finance professionals are equipped with the professional skills needed by employers.

### ACCA Held the Fourth Asia Pacific Regional Education Conference in Singapore

Delegates from across 12 countries were updated on ACCA's global education and qualification credentials as well as qualification innovations including the new Ethics and Professional Skills Module and the Strategic Professional, which integrate technical expertise with ethics and professional skills and a case study, Strategic Business Leader.





## Country Reports: Brunei Darussalam

### ACCA Launched Accelerate Programme with Universiti of Brunei Darussalam

The programme was launched in March 2017 to support the development of professional accountants in Brunei which enables undergraduates to start studying for ACCA professional qualification, thus accelerating their path to become professional accountants.

## Country Reports: Indonesia

### ACCA Organised Employability Skills Workshop in Indonesia

ACCA Indonesia held its first Employability Skills Workshop with support from ACCA members and Approved Employer – Baker Tilly to raise awareness on the value of qualified professional accountant and develop an understanding of the importance of employability for Accounting and Finance graduates in Indonesia.



## Country Reports: Malaysia

### ACCA and i2M Ventures Partner to Create Ready Pool of GBS Talents in Malaysia

ACCA and i2M Ventures signed a Strategic Partnership to further support the talent development of GBS (Global Business Services) sector.



### ACCA Malaysia and Majlis Amanah Rakyat (MARA) Signs MOU

ACCA and MARA signed an MOU on 11 April 2017 with the aim to develop capacity in the accounting profession and to enhance the roles professionals play in supporting the economic development of Malaysia.



### ACCA Malaysia Collaborates with Yayasan Peneraju to Produce Aspiring Accountants

ACCA signed a memorandum of understanding (MOU) with Yayasan Peneraju Pendidikan Bumiputera (Yayasan Peneraju) on 11 April 2017 where about 3000 Bumiputera students will be sponsored to study ACCA over the next 3 years.



### Country Reports: Myanmar

#### ACCA Myanmar Hosts Career and Learning Fair

More than 500 students and affiliates attended the fair on 12 March 2017, a platform for attendees to gain insights on various industries they can work in.





## Country Reports: Philippines

### ACCA Participated at the PICPA-CAPA International Conference in Manila

The conference held in March 2017 focused on sharing the current accounting practice in the Philippines, the ASEAN MRA perspective and the talent management in public sector attracted over 500 delegates. ACCA shared insights on the key drivers of change and factors affecting the retention of accounting professions in the public sector.

## Country Reports: Singapore

### ACCA Singapore and Singapore Accountancy Commission Signs MOU



ACCA has signed a memorandum of understanding (MOU) with the Singapore Accountancy Commission (SAC) in January 2017 to collaborate on thought leadership projects on business model innovations and integrated reporting. ACCA-SAC will also jointly look into areas of collaboration around professional development, the SkillsFuture framework; SMP transformation and regionalisation.

### ACCA Singapore First Ethics Film Festival Brings to Life Ethics and Professional Skills Essential for Accountancy and Finance



In conjunction with the launch of ACCA's new Ethics and Professional Skills Module in October 2017, the inaugural ACCA Ethics Film Festival: Evolving Corporate Ethics for the Future Economy was held to discuss and address ethical issues and challenges that the accounting profession faces.

## Country Reports: Vietnam

### ACCA Global President in Vietnam

ACCA Global President Brian McEnery co-chaired with the Auditor General of Vietnam Dr Ho Duc Phoc, the Annual Conference on "The role of state audit office in improving effectiveness and efficiency of managing and using state budget" in August 2017.





ICAEW initiatives in the South-East Asia region in 2017. A few highlights are detailed below, for further information visit [icaew.com](http://icaew.com).

### Launching of a New Brand

The ICAEW brand has evolved to support our strategy and ensure that we remain modern and relevant to our many audiences around the world. Our new vision – a world of strong economies – also puts our international work at the heart of everything we do.

### The First ICAEW IFRS Training Programme in Vietnam

ICAEW IFRS was used by the Ministry of Finance to train and certify over 200 government officials, finance and accounting professionals in Vietnam.

### ICAEW Members Eligible for the CPA Vietnam Certificate

Ministry of Finance in Vietnam announcement on the eligibility of all ICAEW members to be awarded the Certified Public Accountant of Vietnam Certificate once they pass the conversion exam.

### ICAEW and State Audit Office of Vietnam (SAOV) Signs MoU



The memorandum of understanding (MoU) signed in June 2017 marks the beginning of a closer collaboration with the State Audit Office of Vietnam. A commitment to jointly develop training materials, activities and events that will mutually benefit both organisations as well as the accountancy and finance profession in Vietnam.

### ICAEW and ISCA Sign Reciprocal Membership Agreement



Without having to fulfil additional professional or educational requirements, eligible ISCA members can now attain ICAEW's Associate Chartered Accountant (ACA). Similarly eligible ICAEW members can become Chartered Accountants (Singapore).

The RMA signing was held during the 'Our Future Together: Future of Professional Learning and Entrepreneurship' event. It was an event co-organised by ICAEW and ISCA and a report on the same subject matter was also co-produced by both institutes.

## Renewal of MoU in Myanmar

ICAEW and Myanmar Institute of Certified Public Accountants signed an MoU in June to denote both institutes' continued commitment to jointly develop talents and advancing the accounting profession in Myanmar through knowledge sharing, thought leadership and other aspects.

## Report on Observance of Standards and Codes (ROSC) in Myanmar



The event was jointly organised by ICAEW, The Office of the Auditor General of the Union, Myanmar Institute of Certified Public Accountants, Myanmar Accountancy Council, and The World Bank Group, Myanmar. The ROSC- 'Accounting and Auditing Dissemination' workshop, was attended by members of MICPA.

## Signing of Tripartite MoUs in Singapore

The first tripartite MoU was signed with Deloitte Singapore and Singapore Polytechnic (SP) to support students taking the ACA exams and provide potential work placements with Deloitte. The first initiative of its kind by ICAEW.

In June, Michael Izza, ICAEW Chief Executive was in Singapore for the signing with PwC Singapore and SP, offering its accountancy diploma graduates an accelerated pathway to becoming chartered accountants and an opportunity to seek employment with PwC Singapore.



## Impact of Technology on the Profession

ICAEW continues to focus on the impact of technology on the profession and the global economy, with particular focus on Big Data, Artificial Intelligence and Blockchain.

A series of technical sessions took place in region where subject matter experts such as the founder and head of the EY Asia Pacific Robotics Centre of Excellence who gave insights on 'Robotic Process Automation and Intelligent Automation supporting the finance function, increase process quality and enhance customer experience' in Singapore.

ICAEW IT Faculty Manager was also in the region to conduct a series of thought leadership events surrounding the topics of 'Discover the fundamentals of blockchain, key features of technology and its application' to Chartered Accountant Worldwide members as well as stakeholders in Singapore, Malaysia and Vietnam.

ICAEW has collaborated with Shanghai National Accounting Institute (SNAI) to research and analyse how big data is used in China Business, with the report released in November 2017.

## Supporting the Indonesian Government in Developing the Accounting Profession

In Jakarta ICAEW and The Minister of National Development Planning discussed opportunities and areas where ICAEW is able to provide support in strengthening the accounting skills of high school leavers and university graduates. This marks the beginning and the foundation of future collaboration with the Indonesian government to develop a strong accounting talent pool.

## ICAEW at the Singapore Accountancy and Audit Convention 2017

In October, Ross Campbell, ICAEW Director, Public Sector gave a talk and was part of a panel discussion at the Singapore Accountancy and Audit Convention 2017 to share his insights on "Enhancing the Strategic Value of Public Sector Finance Function".

## The Financial Reporting Council (FRC) in Malaysia and Singapore



ICAEW CEO Michael Izza visited Malaysia and Singapore in October 2017 as part of a high level joint visit with Stephen Hadrill, Chief Executive Officer of the Financial Reporting Council, UK to build UK-Malaysia-Singapore investment relationships and audit cooperation.

## The 29<sup>th</sup> Asia Pacific Conference 2017 in Kuala Lumpur

Nick Parker, ICAEW President was at the event to share his insight on 'Harnessing the power of disruptive technologies and the potential for the future' along with David Lyford-Smith, ICAEW Technical Manager who was a panellist at the event that was attended by 500 academicians, industry professionals and corporates from 41 countries.



## Technical Updates

### Launch of Audit Guide for Practitioners



On October 9, 2017, the Institute officially launched its 4th Edition of the Audit Guide for Practitioners (AGP) and 1st Edition of Illustrative Audit Working Papers (IAWP). The AGP was first published in 2006, specifically tailored to assist Small- and Medium-sized Practices (SMPs) in the audit of Small and Medium Enterprises and serves as a guide and does not provide assurance on the quality of an audit. The IAWP was developed to provide guidance to users of the AGP as to the form and content of the audit documentation required by the clarified ISAs with a focus on smaller-sized audits as well as meeting the requirements of the current Malaysian Private Entities Reporting Standard (MPERS). A series of workshops were jointly organised with the Malaysian Institute of Accountants (MIA) to provide SMPs with guidance on the use of the AGP and IAWP.

### CAANZ-MICPA Audit Forum 2017



The Institute and Chartered Accountants Australia and New Zealand (CA ANZ) jointly organized the annual CAANZ – MICPA Audit Forum 2017 on November 2, 2017 in Kuala Lumpur. This year's Forum themed "Charting New Paths for Practitioners" addressed some challenging current issues that affect audit practitioners. The Forum covered the topics of audit exemptions, and auditing complex accounting standards.

## Event Highlights

### MICPA 58<sup>th</sup> Anniversary Commemorative Lecture



The Institute held its 58th Anniversary Commemorative Lecture & Luncheon at the Grand Hyatt Hotel, Kuala Lumpur on March 23rd, 2017. There were close to 400 guests in attendance from the corporate sector and members of the accounting fraternity, ready to network and listen to the lecture that would be delivered after a scrumptious lunch. The Institute was privileged to have YBhg Tan Sri Dato' Seri Utama Nor Mohamed Yakcop Deputy Chairman of Khazanah Nasional Berhad, the Government of Malaysia's strategic investment arm, who delivered a most interesting lecture entitled "The 10 Golden Rules".

### MICPA 59<sup>th</sup> Annual Dinner



The Institute celebrated its 59th anniversary at its Annual Dinner held on August 18, 2017 at Grand Hyatt Kuala Lumpur. The dinner was graced by YBhg Datuk Seri Johari Bin Abdul Ghani, Minister of Finance II as its Guest of Honour. It was also a night of appreciation for MICPA's Council, members, graduates, Past Presidents and Secretariat.

Also, the "Anugerah Presiden" this year was awarded to YBhg Dato' Gumuri Bin Hussain, the Chairman of the Audit Oversight Board for his exceptional contributions to society and the accounting profession. He has been a MICPA member since 1975 and served as Council member from 1994 till 2004.

### MICPA Excellence Awards 2016



The Institute and Chartered Accountants Australia and New Zealand (CA ANZ) celebrated candidates and graduates at the recent Excellence Awards 2016/2017 event held on November 2, 2017 in Kuala Lumpur. MICPA Past President, Dato' Larry Seow was invited as the Guest of Honour to present the coveted gold medals and awards to prize winners. MICPA President, Datuk Tan Theng Hooi, and Dato' Richard Abas, Councillor, Asia of CA ANZ were also on hand to present the awards. A total of 157 individuals were recognised for their achievements that night including 82 graduates and 5 Gold Medal winners.

## MICPA-ACCA MRA Renewal Signing Ceremony



The Institute and the Association of Chartered Certified Accountants (ACCA) renewed a Mutual Recognition Agreement (MRA) at a Signing Ceremony held on October 3, 2017 in Kuala Lumpur. This MRA was first signed in 1997 with the purpose of creating a pathway for members into each other's bodies and to enjoy the perks of being a member of both bodies. ACCA members who obtain membership through the ACCA Qualification route and have 5 years of relevant post-qualification professional experience, 3 years of which is in Malaysia, is considered to have met the education, examination and experience requirements for admission into MICPA membership.





### Initiatives to Ensure Confidence in Audits

- Following the release of the Audit Firm Governance Code by the Financial Services Agency (FSA), JICPA directed its member firms to take this opportunity to reflect on and improve their governance as necessary. JICPA also encouraged firms not applying these Principles to further develop organizational culture aiming to maintain and continuously enhance their audit quality, as well as to increase their transparency by using the most suitable means in line with their respective characteristics.
- **Expanding Corporate Accounting Fraud Trainings**  
In order to further enrich members' competence on detecting corporate accounting fraud, JICPA is preparing and promoting specific approaches of trainings, including discussion-style interactive trainings, train – the – trainer seminars for developing capable trainers and lecturers for such discussion-style trainings, and methods to measure how well participants acquired the competence necessary to detect fraud.
- To promote efforts for effective use of IT in audit, JICPA formed the “Sub-committee on the Future of Audit” within the IT Committee, which is undertaking research on innovation in audit with the use of technology from long-term perspectives. In connection with this, on March 22, 2017, JICPA hosted a two-day forum with a focus on recent global trends in accounting and auditing, where deep discussion on “Innovation in Audit Techniques by Using IT” with the rise of artificial intelligence (AI) & Internet of Things (IoT) era was made from various viewpoints.

### Initiatives to Enhance Accounting and the Auditing System and Related Standards in Areas of the Public Sector and Non-for-profit Sectors

#### Introduction of CPA Audits in Social Welfare Organizations

Following the enactment of the Act for Revising Social Welfare Act, etc. on April 1, 2017 regulating that social welfare organizations beyond a certain size must receive a CPA audit for its financial results, JICPA requested its members to improve their ability to respond to the needs of the society and to offer audit services effectively and efficiently that are in tune with the characteristics of respective welfare organizations.

### Initiatives to Support Members Working in Diverse Fields in Domestic and International Areas

#### ● **Support to members serving as External Directors/Auditors of Listed Companies**

The “Corporate Governance Code,” which has been applied to listed companies since June 2015, regulates that listed companies should appoint “at least two or more independent external directors” and “at least one or more persons who have proper knowledge in finance and accounting as an auditor.” Accordingly, the number of CPAs who assume the office of external directors/auditors, etc., has increased.

In view of the amounting needs for CPAs as a qualified person for external director/auditor in the future, JICPA has established the “Council on CPAs Serving as External Directors/Auditors,” including the members’ network organizations.

#### ● **Activities of the Council on Public Sector Accounting**

The “Group for Accounting and Auditing of Local Public Sector,” which was established under the Council on Public Sector Accounting for the purpose of developing talents who can serve local government organizations has provided the e-learnings for new members and continuous trainings for members who wish to keep their membership in the Group. The continuous training program is composed of 65 subjects which became available to members from February 2017.

### ● Support for Small and Medium-sized Enterprises (SMEs)

Recently, there are increasing expectations from the SMEs seeking CPAs' support in their overseas business development. JICPA has continued to update a list of members who assist SMEs exploring overseas development in Asian region.

## Activities to Increase Public's Awareness of the Importance of Accounting and Auditing in Society and to Raise the Appeal of CPA Profession



As the needs to gain and retain talented personnel for providing CPA services, JICPA has continued to take measures to raise the appeal of CPA profession.

As a measure to gain awareness of young people, seminars on the CPA profession were held at the headquarters and local chapters of JICPA for the total of 99 times this year, of which 32 were for the high school students and 67 were for college/university students, to directly promote the appeal of the CPA profession.

Together with the efforts to promote measures for assisting female members to succeed through the Council for Supporting Female Accountants, JICPA has actively released its opinions and recommendations to support not only female CPAs, but also all women in playing more active role in society.

JICPA has continued to disseminate basic accounting education for the general public while considering it as part of its mission to contribute to help advance the knowledge and understanding of the accounting which forms an important part of the social infrastructure.

In addition to the above, JICPA has been active in serving the society by issuing its opinions to various matters that concern the civil society in Japan in general. JICPA prepared and released the "Recommendation on Tax System in 2017" (July 25, 2016) on how the tax system and policies should be for fiscal year 2017.

## The 51st JICPA Annual General Assembly



On July 19, 2017, the 51st JICPA Annual General Assembly was held at the Imperial Hotel, Tokyo. More than 1,000 members and associate members attended the meeting, which was also relayed to other regional chapters of the JICPA nationwide. At the opening, Prime Minister Shinzo Abe delivered a video message, and Mr. Taro Aso, Minister of State for Financial Services, as well as Mr. Akira Kiyota, Director & Representative Executive Officer, Group CEO of the Japan Exchange Group, Inc., presented congratulatory remarks.

Following the report of the results of the 51st fiscal year business plan and budget statements, all assembly agendas were approved. The party held after the assembly was also a success, with total of more than 500 guests attended, including Diet members and others from various fields.

## “Enhanced Transparency in Audit Firms and Audit Quality” Forum



On July 27, 2017, JICPA co-sponsored a forum entitled “Enhanced Transparency in Audit Firms and Audit Quality” to discuss how increased transparency could further contribute to the quality of audit in Japan. Following the opening remark by Aiko Sekine, Chairman and President of JICPA, Mr. Marek Grabowski, Director of Financial Reporting Council and Board Member of IAASB, presented a keynote speech in regards to the reform of disclosure and audit system for listed companies in the UK. Heated discussions followed by referring to the experiences and lessons learned in the UK for adopting the audit firm governance code and the extended auditor’s reports.

## JICPA Published Research Report No. 59, Management Study and Research Committee “How Can Corporate Reporting Practice Support Long-term Oriented Behaviour of Institutional Investors? Consideration with Focus on Non-financial Information”

JICPA published the executive summary of Research Report No. 59, Management Study and Research Committee “How can corporate reporting practice support long-term oriented behaviour of institutional investors? Consideration with focus on non-financial information”

<http://www.hp.jicpa.or.jp/english/news/files/2-3-59-4-20171025.pdf>

## Mongolian CPAs Visit Japan for JICPA-MONICPA Training Program



From November 28 to 30, 2017, 11 Mongolian CPAs, headed by Mr. LENKH-AMGALAN, CEO of the Mongolian Institute of CPAs, visited Japan for a three-day training program for building knowledge in accounting and auditing as well as to learn CPAs crucial roles in enhancing capital markets and economy.

A variety of topics were covered in the training program, including CPA system in Japan and overview of JICPA and its activities, with focuses on the quality control review system and Taxation and Legislation committee. The training program also included visits to relevant stakeholders in Tokyo, such as Japan Stock Exchange, Financial Accounting Standards Foundation (FASF) / Accounting Standards Board of Japan (ASBJ), the IFRS Foundation Asia-Oceania Office and KPMG AZSA LLC.

JICPA hopes to keep strengthening ties with MONICPA and continue to support the development of the CPA profession and capital markets in Mongolia.

## JICPA Releases Overview of the Quality Control Review 2017

JICPA released Overview of the Quality Control Review 2017.

The overview report can be downloaded from the following link;

<http://www.hp.jicpa.or.jp/english/news/files/5-30-0-2e-20171222.pdf>



AAT added 10 new international training providers in 2017 and delivered a 14% increase in international starters. Our international short qualifications also saw growth of 87%. We entered into a new partnership with the Institute of Singapore Chartered Accountants (ISCA) to develop the country's accounting technicians. We also approved our first Training Provider in Bangladesh.

We've been looking at different regions around the world especially South-East Asia and the Gulf states. We've been working on getting training provision into chosen countries and working with national accountancy bodies to help them develop what they need to upskill people across all levels and develop pathways into the profession. New markets include Singapore, Malaysia and Bangladesh and we've expanded our presence in Bahrain. We've also seen improvements in Botswana, which has our biggest student cohort outside the UK and held our Annual Achievement awards which we host in partnership with the Botswana Institute of Chartered Accountants (BICA).

We've been talking to the national accountancy body in Myanmar, have approved a number of new Training Providers in the country and have seen strong student growth over the last year.

Our approach internationally is to seek out mutually beneficial relationships with partners – it could be national accountancy bodies, or the government itself which is looking to upskill the workforce. We can demonstrate our credentials and put the AAT brand and knowledge to work on their behalf.

We continued engaging the International Federation of Accountants, Confederation of Pacific and Asian Accountants and Pan African Federation of Accountants. We have members on IFAC's PAODC & International Accounting Education Standards Board and we hosted an Accounting Technician Round-table in Brussels in November 2017.

AAT is also very proud to have become a member of AFA in 2017.



Andrew Williamson – Director of Marketing and Commercial and Nicky Fisher – President. At our annual Achievement Awards in Botswana.



Andrew Williamson – Director of Marketing and Commercial at the ISCA-SHRI Future Employment Landscape Seminar



Justin Kyriakou – International Development Manager and Rob Alder – Head of Business Development visiting Malaysia Institute of Accountants (MIA)



Rob Alder – Head of Business Development and Daniel Westley – International Account Manager visiting one of our providers in Myanmar



# FINANCIAL STATEMENTS



AFA Annual Report  
**2017**

**ASEAN FEDERATION OF ACCOUNTANTS**

**FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2017**



**BAKER TILLY  
TFW**

Baker Tilly TFW LLP  
Chartered Accountants of Singapore

An independent member of Baker Tilly International

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## **ASEAN FEDERATION OF ACCOUNTANTS**

### **FEDERATION PROFILE**

#### **Primary Members**

Brunei	Brunei Darussalam Institute of Certified Public Accountants (BICPA)
Cambodia	Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA)
Indonesia	Ikatan Akuntan Indonesia (IAI)
Laos	Lao Chamber of Professional Accountants and Auditors (LCPAA)
Malaysia	Malaysian Institute of Accountants (MIA)
Myanmar	Myanmar Institute of Certified Public Accountants (MICPA)
Philippines	Philippines Institute of Certified Public Accountants (PICPA)
Singapore	Institute of Singapore Chartered Accountants (ISCA)
Thailand	Federation of Accounting Professions of Thailand (FAP)
Vietnam	Vietnamese Association of Accountants and Auditors (VAA)

#### **Associate Members**

Australia	CPA Australia
Australia and New Zealand	Chartered Accountants Australia and New Zealand (CAANZ)
Japan	The Japanese Institute of Certified Public Accountants (JICPA)
Malaysia	The Malaysian Institute of Certified Public Accountant (MICPA)
United Kingdom	The Association of Accounting Technicians (AAT)
United Kingdom	The Association of Chartered Certified Accountants (ACCA)
United Kingdom	The Institute of Chartered Accountants in England and Wales (ICAEW)

#### **Office bearers for the year ended 31 December 2017**

AFA President	Mr Sonexay Silaphet (LCPAA)
AFA Deputy President	Dr Gerard Ee (ISCA)
AFA Treasurer	Mr Frankie Chia (ISCA)

#### **Office of the Federation**

AFA Secretariat  
Grha Akuntan  
Jalan Sindanglaya No. 1  
Menteng  
Jakarta 10310  
Indonesia

#### **Independent auditor**

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

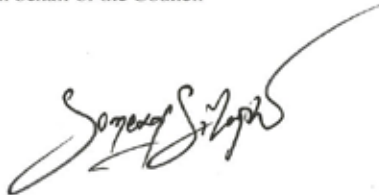
## ASEAN FEDERATION OF ACCOUNTANTS

### STATEMENT BY COUNCIL

In the opinion of the Council:

- (i) the financial statements as set out on pages 6 to 14 are properly drawn up so as to present fairly, in all material respects, the financial position of ASEAN Federation of Accountants (the "Federation") at 31 December 2017 and of the financial performance, changes in accumulated fund and cash flows of the Federation for the financial year then ended in accordance with International Financial Reporting Standards; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they fall due.

On behalf of the Council



Sonexay Silaphet  
President  
(2016 - 2017)

19 May 2018



Frankie Chia  
Treasurer  
(2016 - 2017)

## **INDEPENDENT AUDITOR’S REPORT TO THE PRIMARY MEMBERS OF ASEAN FEDERATION OF ACCOUNTANTS**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of ASEAN Federation of Accountants (the “Federation”) as set out on pages 6 to 14, which comprise the balance sheet as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the International Financial Reporting Standards so as to present fairly, in all material respects, the financial position of the Federation as at 31 December 2017 and of the financial performance, changes in accumulated fund and cash flows of the Federation for the year ended on that date.

#### ***Basis for Opinion***

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Federation in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Other Information***

The Council is responsible for the other information. The other information obtained at the date of this auditor’s report comprises the information included in the Annual Report for the year 2017 but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **INDEPENDENT AUDITOR'S REPORT TO THE PRIMARY MEMBERS OF ASEAN FEDERATION OF ACCOUNTANTS (cont'd)**

### **Report on the Audit of the Financial Statements (cont'd)**

#### ***Responsibilities of the Council for the Financial Statements***

The Council is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Federation or to cease operations, or has no realistic alternative but to do so.

The Council's responsibilities include overseeing the Federation's financial reporting process.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

**INDEPENDENT AUDITOR'S REPORT TO THE PRIMARY MEMBERS OF  
ASEAN FEDERATION OF ACCOUNTANTS (cont'd)**

**Report on the Audit of the Financial Statements (cont'd)**

*Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Federation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Baker Tilly TFW*

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

19 May 2018

**ASEAN FEDERATION OF ACCOUNTANTS**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the financial year ended 31 December 2017**

	2017 \$	2016 \$
<b>Income</b>		
Membership fees	65,500	61,500
Interest income	4,842	5,683
Sponsorships from other bodies	12,988	—
Other income	8,539	—
	<hr/> 91,869	<hr/> 67,183
<b>Less expenditure</b>		
AGM expenses / annual report printing	260	1,617
Auditor's remuneration	2,500	2,000
Bank charges	659	784
Foreign currency exchange (gain)/loss	(83)	1,185
Meeting expenses	3,700	7,156
Postage & telecommunications	1,339	311
Research activities and projects	7,988	5,000
Staff costs	66,000	60,000
Sundry expenses	441	425
Travelling expenses	6,728	8,297
Website expenses	1,769	1,281
	<hr/> 91,301	<hr/> 88,056
<b>Net surplus/(deficit) and total comprehensive income/(loss) for the year</b>	<hr/> 568	<hr/> (20,873)

The accompanying notes form an integral part of these financial statements.



**ASEAN FEDERATION OF ACCOUNTANTS**

**BALANCE SHEET**  
**At 31 December 2017**

	Note	2017 \$	2016 \$
<b>Current assets</b>			
Other receivables and prepayment	3	27,526	2,015
Cash and cash equivalents	4	451,611	481,017
		<hr/>	<hr/>
		479,137	483,032
<b>Current liability</b>			
Payables and accruals	5	23,055	27,518
		<hr/>	<hr/>
<b>Net assets</b>		456,082	455,514
		<hr/>	<hr/>
<b>Accumulated Fund</b>		456,082	455,514
		<hr/>	<hr/>

The accompanying notes form an integral part of these financial statements.

**ASEAN FEDERATION OF ACCOUNTANTS**

**STATEMENT OF CHANGES IN ACCUMULATED FUND**  
**For the financial year ended 31 December 2017**

	\$
Balance at 1 January 2016	476,387
Net deficit and total comprehensive loss for the year	(20,873)
	<hr/>
Balance at 31 December 2016	455,514
Net surplus and total comprehensive income for the year	568
	<hr/>
<b>Balance at 31 December 2017</b>	<b>456,082</b>
	<hr/>

The accompanying notes form an integral part of these financial statements.

**ASEAN FEDERATION OF ACCOUNTANTS**

**STATEMENT OF CASH FLOWS**  
**For the financial year ended 31 December 2017**

	Note	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Net surplus/(deficit) for the year		<b>568</b>	(20,873)
Adjustment for:			
Interest income		<b>(4,842)</b>	(5,683)
Operating deficit before movements in working capital		<b>(4,274)</b>	(26,556)
Other receivables and prepayment		<b>(25,864)</b>	7,384
Payables and accruals		<b>(4,463)</b>	(11,996)
Cash used in operations		<b>(34,601)</b>	(31,168)
Interest received		<b>5,195</b>	6,711
<b>Net cash used in operating activities</b>		<b>(29,406)</b>	(24,457)
<b>Net decrease in cash and cash equivalents</b>		<b>(29,406)</b>	(24,457)
Cash and cash equivalents at beginning of year		<b>481,017</b>	505,474
<b>Cash and cash equivalents at end of year</b>	4	<b>451,611</b>	481,017

The accompanying notes form an integral part of these financial statements.



## ASEAN FEDERATION OF ACCOUNTANTS

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

#### 1 Corporate information

The office of the Federation is at Jalan Sindanglaya No. 1, Menteng, Jakarta 10310, Indonesia.

The principal activity of the Federation is the advancement of the accounting profession in the ASEAN region.

#### 2 Significant accounting policies

##### (a) Basis of preparation

The financial statements, expressed in Singapore dollar (“\$”) which is the Federation’s functional currency, have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRSs requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenditure during the financial year. Although these estimates and assumptions are based on Council’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

##### *Use of estimates and judgements*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no significant judgements made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The carrying amounts of cash and cash equivalents, other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

##### *New and revised standards*

In the current financial year, the Federation has adopted all the new and revised IFRSs issued by the IASB and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) that are relevant to its operations and effective for the current financial year. The adoption of these new and revised IFRS and IFRIC did not have any material effect on the financial results or position of the Federation.

## **2 Significant accounting policies (cont'd)**

### **(a) Basis of preparation (cont'd)**

#### *New and revised standards*

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2017 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Federation in the period of their initial adoption.

### **(b) Financial assets**

#### *Classification*

The Federation classifies its financial assets according to the purpose for which the assets were acquired. The Council determines the classification of its financial assets at initial recognition and re-evaluates this designation at every balance sheet date. The Federation's only financial assets are loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are presented as "other receivables" (excluding prepayment) and "cash and cash equivalents" on the balance sheet.

#### *Recognition and derecognition*

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Federation commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Federation has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in income or expenditure. Any amount in the fair value reserve relating to that asset is also transferred to income or expenditure.

#### *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs.

#### *Subsequent measurement*

Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Interest income on financial assets are recognised separately in income or expenditure.

#### *Impairment*

The Federation assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in income or expenditure. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in income or expenditure.

## **2 Significant accounting policies (cont'd)**

### **(c) Financial liabilities**

Financial liabilities, which comprise other payables and accruals are recognised on the balance sheet when, and only when, the Federation becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

The financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired. Gains and losses are recognised in income or expenditure when the liabilities are derecognised as well as through the amortisation process.

### **(d) Foreign currency**

#### *Functional and presentation currency*

Items included in the financial statements are measured using the currency that best reflects the economic environment substance of the underlying events and circumstances ('the functional currency').

#### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in income or expenditure.

### **(e) Income taxes**

The Federation's income from its principal activities is exempt from income tax under Section 11(2) of the Income Tax Act because the Federation is deemed not to be a carrying on a business in Singapore.

### **(f) Income recognition**

Income comprises the fair value of the consideration received or recoverable for the rendering of services. Income is recognised to the extent that it is probable that the economic benefits will flow to the Federation and the amount can be reliably measured.

Members' annual and admission fees are recognised when due.

Interest income is recognised as the interest accrues based on effective interest method.

### **(g) Grants**

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to income or expenditure over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expenditure item, it is recognised in income or expenditure over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

### **(h) Provisions**

Provisions are recognised when the Federation has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Federation expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.



**3 Other receivables and prepayment**

	2017 \$	2016 \$
Other receivables	8,539	—
Prepayment	17,325	—
Interest receivables	1,662	2,015
	<b>27,526</b>	<b>2,015</b>

**4 Cash and cash equivalents**

	2017 \$	2016 \$
Fixed deposits	412,992	407,797
Cash and bank balances	38,619	73,220
	<b>451,611</b>	<b>481,017</b>

Fixed deposits bear interest rates ranging from 0.75% to 1.30% (2016: 0.20% to 1.80%) per annum and mature between 1 and 10 months (2016: 1 and 10 months) from the balance sheet date.

**5 Payables and accruals**

	2017 \$	2016 \$
Accrued operating expenses	21,043	7,518
Sponsorships received in advance	2,012	20,000
	<b>23,055</b>	<b>27,518</b>

**6 Financial instruments****a) Categories of financial instruments**

Financial instruments at their carrying amounts at the balance sheet date are as follows:

	2017 \$	2016 \$
<b><i>Financial assets</i></b>		
Loans and receivables (including cash and cash equivalents)	461,812	483,032
<b><i>Financial liabilities</i></b>		
At amortised cost	21,043	7,518

## **6 Financial instruments (cont'd)**

### **b) Financial risk management**

The main risks arising from the Federation's financial management are credit risk, interest rate risk and liquidity risk. The Federation reviews and agrees on policies for managing each of these risks and they are summarised below:

#### *Credit risk*

The Federation's exposure to credit risk arises from the failure of a counterparty to settle its financial and contractual obligations to the Federation, as and when they fall due. The Federation manages this risk by monitoring credit ratings and limiting the aggregate financial exposure to any individual counterparty.

The Federation places its cash and fixed deposits with the established banks in Singapore.

At balance sheet date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each category of financial assets in the balance sheet.

#### *Interest rate risk*

The Federation is exposed to interest rate risk through the impact of rate changes on its interest-bearing fixed deposits. The Federation's policy is to review the terms of these deposits to take advantage of the best market rates in order to optimise the income received from these deposits. The sensitivity analysis for changes in interest rate is not disclosed as the effect in income and expenditure is considered not significant.

#### *Liquidity risk*

In the management of liquidity risk, the Federation monitors and maintains a level of cash and bank balances deemed adequate by the Council to finance the Federation's operations and mitigate the effects of fluctuations in cash flows.

## **7 Fair values**

The carrying amounts of the financial assets and financial liabilities recorded in the financial statements of the Federation approximate their fair values.

## **8 Fund management**

The Federation's objectives when managing its funds are to safeguard and maintain adequate working capital. The Council considers the accumulated fund as the capital of the Federation and no changes were made to the Federation's fund management objectives during the financial years ended 31 December 2017 and 31 December 2016.

## **9 Authorisation of financial statements**

The financial statements of the Federation for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Council dated 19 May 2018.



## **ASEAN Federation of Accountants**

Accredited Civil Society Organisation of the ASEAN

### **AFA Secretariat**

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