



2016 ANNUAL REPORT

ASEAN
FEDERATION
OF ACCOUNTANTS

Contents

2	MESSAGE FROM AFA PRESIDENT
3	MESSAGE FROM AFA DEPUTY PRESIDENT
4	MESSAGE FROM AFA EXECUTIVE DIRECTOR
5	ABOUT AFA
6	About AFA
7	Membership
8	Office Bearers 2016-2017
9	Executive Director & AFA Headquarter
9	Council Members 2016
11	REPORT OF THE COUNCIL
12	AFA Council Meetings
15	AFA Supported Activities
22	AFA Activities
27	AFA Task Force Activities
29	AFA Constitution & AFA By-Laws (2016)
30	AFA Research Grant
32	ASEAN ACCOUNTANTS IN NUMBERS
33	NEWS FROM AROUND THE REGION
91	AFA FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016



It's difficult to squeeze into a few paragraphs all of the activities that the Federation has done in the last 12 months. The AFA Annual Report 2016 is most assuredly a chronicle of a truly significant year for AFA.

Some of the key achievements that AFA, supported by its members and stakeholders, have done in 2016 among others are the strengthening of AFA's governance through the amendments of the AFA Constitution & By-Laws, establishment of the AFA Strategic Plan 2016-2019, and a number of activities as a realisation of AFA's key priorities for the period; 1) to minimise the gap between member organisations, 2) to articulate values through thought leadership in SMEs issues, and 3) to seek for recognition from IFAC.

As highlighted in the Federation's Action Plan (2016-2019), we acknowledge the importance of maintaining the excellent communication and collaborations that the Federation have build with its members and key stakeholders in the region. Also, to further expand the Federation's network and seek potential new collaborations with stakeholders outside of the region and to a certain extent, of the profession. Also presented in the Plan are the Federation's vision and objectives, illustrating AFA's long term map in the journey to further strengthen the role of the accountancy profession in the region.

As the Southeast Asia region grows rapidly and strives to become a common market for the ASEAN member states, it is also important for the accountancy profession in the region to play its role in supporting the capacity building of local enterprises, enabling cross-border transactions and contributing towards the enhancement of institutions both within the public and private sectors for the benefit of the society at large. The ASEAN Mutual Recognition Arrangement (MRA) on Accountancy Services is the established outcome of the journey that the ASEAN Professional Regulatory Authorities with the support of the Professional Accountancy Organisations in the region, together with the ASEAN, have taken in realising the objective of migration of skilled accountants in the region.

As we continue into 2017, I would like to thank the Office Bearers, Executive Director, Secretariat, Primary Members and Associate Members for their ongoing commitment and their dedication to and support of the values that have made the AFA what it is today.

Yours sincerely,

Sonexay Silaphet
President





I am honoured to represent Singapore to serve as AFA Deputy President for the past one year. Time flies, and as we reflect on what we had done and achieved in the last twelve months, I had the privilege to witness AFA working closer together towards achieving global recognition as the regional accountancy body of ASEAN and promoting the standing of the accountancy profession within the region.

Our profession is currently facing many disruptors such as globalisation, digital technology, and terrorism. We face the risk of jobs being taken away by robots and we must prepare ourselves to do things differently from what we are used to. With the global economic slowdown worsened with fears of a trade war between China and United States, Brexit in action and geopolitical instability, we look ahead into the year with much trepidation. Nonetheless, with the strong camaraderie shared amongst AFA member bodies, I am confident we can overcome challenges that come along our way and prepare the accountancy profession for new exciting opportunities presented by the ASEAN Economic Community (AEC).

Accountancy will be an essential and important professional service to support the growth of the ASEAN economy. Thus, AFA as the regional accountancy body has and should play a critical role in developing and promoting the accountancy profession in the region in support of the socio-economic enhancement of ASEAN.

With micro, small and medium enterprises (MSMEs) accounting for 95% to 99% of all enterprises and 51% to 95% of total employment in ASEAN, the AFA Accounting Standards Group (AASG) which was chaired by ISCA, identified MSMEs as the major driving force of the ASEAN economy. Majority of the MSMEs use some form

of traditional cash accounting method to record business transactions and to keep track of its financials. As a country develops and its economy grows, it is important for the country to adopt international accounting standards such as the International Financial Reporting Standards which is premised on accrual accounting principles. This will position the country better to attract global investors. However, the change from cash to accrual accounting represents a huge jump for micro entities of developing ASEAN countries. To help bridge the gap, ISCA developed the Micro Accounting Model (MAM) with inputs from AFA member bodies. MAM has generated keen interest amongst the developing ASEAN countries. MAM, an intuitive framework which contains significant simplifications to a number of areas, including accounting for financial instruments, is catered to the needs of MSMEs which are smaller and have simpler business transactions than those of developed countries. Countries, in particular, developing ones are encouraged to consider adopting or adapting MAM for their use and feedback on its usefulness.

I would like to take this opportunity to thank AFA President, Mr Sonexay Silaphet, for leading the Council towards achieving our strategic goals to strengthen the Federation's global recognition, governance and institutional capability; as well as AFA Executive Director, Mr Aucky Pratama, for his hard work in realising these goals.

I look forward to many joint endeavours with our ASEAN friends to co-develop and uplift the accountancy profession!

Gerard Ee
Deputy President



Building Regional Capacity, Supporting Global Endeavours.

The above title for the AFA Strategic Plan 2016-2019 highlighted AFA's strong intent to continue to contribute to the regional capacity building of accountants in the Southeast Asia region, and to support global initiatives focusing on the development of the accountancy profession. In line with the Federation's vision and mission, the Plan presented AFA's strategic objectives for the period and serves as the foundation for AFA member organisation's future cooperation in the region.

2016 brought a number of key changes for the Federation, many for the purpose of continuous strengthening of AFA's governance and internal capability. Acknowledging the importance to adapt to the ever-changing regional and global environment affecting the profession, significant amendments were made to the AFA Constitution & By-Laws. The amendments considered among others; alignment with IFAC's strategic objectives, implementation of the ASEAN MRA on Accountancy Services, and recent changes in the Federation's structure and membership.

A key focus for the Federation in 2016 was the Small & Medium Enterprises (SMEs) and Small & Medium Practices (SMPs). Regional activities such as the LCPAA – AFA Conference, CPA Australia Regional Technical

Session, and the ASEAN Regional SMP Conference focusing on SMEs and SMPs were held throughout 2016. This was culminated with the establishment of the AFA Research Grant as an initiative of the Federation to contribute to the development of the SMEs in the region. The Grant put strong emphasis in SMEs and the role of Professional Accountancy Organisations in supporting the industry.

We also continue to strengthen our relationship with key stakeholders in the region among others; the World Bank Group, Asian Development Bank, and IFAC. Together with our stakeholders AFA continues to explore potential collaborations for the betterment of the accountancy profession in the region.

I would take this opportunity to express our appreciation to Ikatan Akuntan Indonesia and the Institute of Singapore Chartered Accountants, for their continuous support to the AFA Secretariat.

I believe that 2017 will bring many opportunities that we shall embrace together as one ASEAN.

Terima kasih.

Aucky Pratama
Executive Director

AFA ANNUAL REPORT

2016

About AFA



ASEAN FEDERATION OF ACCOUNTANTS

- ABOUT AFA
- MEMBERSHIP
- OFFICE BEARERS
- EXECUTIVE DIRECTOR & AFA HEADQUARTER
- COUNCIL MEMBERS 2016



The ASEAN Federation of Accountants (AFA) was organised in March, 1977. It was established to serve as the umbrella organisation for the national associations of accounting professionals of the Association of Southeast Asian Nations (ASEAN). At its inception, AFA originally had only five members. These were the national Professional Accountancy Organisations of Indonesia, Malaysia, Philippine, Singapore and Thailand. Currently, AFA membership comprises of 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, continually updated throughout the Federation's existence:

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.

The AFA membership consisted of the Primary Members and Associate Members.

AFA Primary Members are the recognised national associations of accounting professionals representing member states within the territorial jurisdiction of ASEAN and must be the recognised national professional accountancy organisation of that member state created under a specific statute or regulation of that particular member state, or in

the absence thereof, the recognised national organisation of accounting professionals in said member state.

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

PRIMARY MEMBERS

AFA Primary Members are consisted of:

1. Brunei Darussalam Institute of Certified Public Accountants (BICPA) – for Brunei Darussalam;
2. Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) – for Cambodia;
3. Ikatan Akuntan Indonesia (Institute of Indonesia Chartered Accountants – IAI) – for Indonesia;
4. Lao Chamber of Professional Accountants and Auditors (LCPAA) – for Lao PDR;
5. Malaysian Institute of Accountants (MIA) – for Malaysia;
6. Myanmar Institute of Certified Public Accountants (MICPA) – for Myanmar;
7. Philippine Institute of Certified Public Accountants (PICPA) – for the Philippines;
8. Institute of Singapore Chartered Accountants (ISCA) – for Singapore;
9. Federation of Accounting Professions of Thailand (FAP) – for Thailand; and
10. Vietnam Association of Accountants and Auditors (VAA) – for Vietnam.

In 2016, the AFA Council approved a change in representative for Myanmar, from previously the Myanmar Accountancy Council (MAC) to the Myanmar Institute of Certified Public Accountants (MICPA).

ASSOCIATE MEMBERS

AFA Associate Members are consisted of:

1. Certified Practicing Accountants (CPA) Australia;
2. Chartered Accountants Australia and New Zealand (CAANZ);
3. The Association of Chartered Certified Accountants (ACCA);
4. The Institute of Chartered Accountants in England and Wales (ICAEW);
5. The Malaysian Institute of Certified Public Accountants (MICPA); and
6. The Japanese Institute of Certified Public Accountants (JICPA).

OFFICE BEARERS 2016–2017

- President : **Sonexay Silaphet** (LCPAA)
- Deputy President : **Gerard Ee** (ISCA)
- Treasurer : **Frankie Chia** (ISCA)

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 Chia is a Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants and has been an ISCA Council Member and Chairman of ISCA's Public Accounting Practice Committee since 2012.

On the corporate front, he is responsible for the overall operation of BDO LLP in Singapore. He possesses over 30 years of experience in the accounting and consulting industry,

managing clients ranging from small and medium-sized business to listed companies and MNCs. His expertise lies in the practice of audit, tax and business advisory. He is an Accredited Tax Advisor (Income Tax & GST) with the Singapore Institute of Accredited Tax Professionals and is a Board member of the Building and Construction Authority, Singapore.



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 2016

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 Moxin (President)
Lee Kin Chee
Lim Hoon Hui
Lucy Wong Kie Nyuk

MICPA (Myanmar)

U Kyaw Tin (Lead Representative)
Daw Naing Thet Oo
U Maw Than
U Win Thin

KICPAA (Cambodia)

Khoy Kimleng (President)
Heng Seida

PICPA (Philippine)

Dominador Barrion (President)
Estelita C. Aguirre

IAI (Indonesia)

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

ISCA (Singapore)

Gerard Ee (President)
Joyce Tang

LCPAA (Lao PDR)

Dr. Phirany Phissamay (President)

FAP (Thailand)

Prasan Chuaphanich (President)
Vilai Chattanrassamee
Boonlert Kamolchanokkul

MIA (Malaysia)

Dato' Mohammad Faiz Azmi (President)
Dr. Nurmazilah Dato' Mahzan

VAA (Vietnam)

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



AFA ANNUAL REPORT

2016

Report of The Council



ASEAN FEDERATION OF ACCOUNTANTS

- AFA COUNCIL MEETINGS
- AFA SUPPORTED ACTIVITIES
- AFA ACTIVITIES
- AFA TASK FORCE ACTIVITIES
- AFA CONTITUTION & AFA BY-LAWS (2016)
- AFA RESEARCH GRANT

121st AFA COUNCIL MEETING

Lao Plaza Hotel, Vientiane
FEBRUARY 20, 2016



NEWLY appointed President, Sonexay Silaphet, led his first AFA Council Meeting held in Lao Plaza Hotel, Vientiane, supported by newly appointed Deputy President, Gerard Ee and Secretary General, Nanthalath Thirakul. Together with Treasurer, Frankie Chia, they will serve as the AFA Office Bearers for the period of 2016-2017.

Acknowledging the different development stages of the AFA member organisations, AFA established the pairing between representatives from developing member organisations and the more developed ones, in this case between LCPAA (Lao PDR) and ISCA (Singapore). This is aimed to create a strong management of the Federation and encourage continuous support and collaboration between member bodies.

The Vientiane meeting was also a historical one for the Malaysia Institute of Certified Public Accountants (MICPA) and the Japanese Institute of Certified Public Accountants (JICPA), who has just been officially appointed as the latest Associate Members of the Federation. Acceptance of MICPA and JICPA into the membership is an acknowledgment of the ever increasing interest of regional and global stakeholders into the accountancy profession in the ASEAN region.

Strategically, the 121st Meeting was a key milestone for the Federation, as the Council approved the AFA Strategic Plan 2016-2019 and the AFA Operational Plan for 2016. Entitled *Building Regional Capacity, Supporting Global Endeavours* the Plan highlights AFA's strategic objectives for the



period and serves as the foundation in AFA member bodies' future cooperation in the region. Highlighting this, a Memorandum of Understanding between FAP Thailand and LCPAA focusing on implementation of IFRS in the Lao PDR was signed back-to-back with the Meeting.

Acknowledging the importance of adapting to ever-changing regional and global environment that affect the profession, the Council also commenced its discussion on amending the AFA Constitution & By-Laws. The Council intended to consider among others, alignment with IFAC's strategic objectives, MRA on Accountancy Services, internal change, and strengthening of the Federation's governance and internal structure in re-shaping the key document.

122nd AFA COUNCIL MEETING

Grand Hyatt Hotel, Singapore
JUNE 18, 2016

THE Lion City welcomed representatives of fifteen AFA members, the World Bank Group, IFAC, and Dan Montgomery (Deputy Chair, IAASB, 2012-2014) as an invitee to attend the 122nd AFA Council Meeting. Dan was invited to share with the Council the New Auditor's Report and updates of the IAASB activities.



Acknowledging the importance of maintaining a strong relationship with IFAC in particularly collaborating on the development of the accountancy profession in Southeast Asia, the Council also invited IFAC representative, Adrian Lim, to share updates on the IFAC Member Compliance Program activities. AFA and IFAC shared the same interest in assisting Professional Accountancy Organisations in the region, particularly through resource sharing mechanism.

AFA also established a strong cooperation with the World Bank Group. The Group's representative, Christopher Fabling, attended the Meeting to update the Council on the proposed regional project to be conducted by the Group in collaboration with MIA and AFA. The project will focus

on adoption and implementation of IFRS in some of the developing countries in the region.

As part of the meeting, AFA also launched its AFA Annual Report for the financial year 2015. The Report provides key highlights on the Federations and AFA members activities throughout 2015 and is available for download from the AFA website. AFA acknowledged the importance of maintaining communication with stakeholders in the region. In the period the Federation's has participated in discussions held by the World Bank Group, Asian Development Bank, and ACCA. In the future, AFA would like to take the role in advocating its position on issues that are relevant to the profession, particularly the AFA member organisations, to regulators in the region.

Back-to-back with the Meeting, CPA Australia supported by AFA hosted the CPA Australia Regional Technical Session focusing on audit quality and analysis of the global regulatory findings. This was held as part of the Federation's objective to provide regional CPD/CPE opportunities to the AFA member organisations.



123rd AFA COUNCIL MEETING

Centara Grand @Centara World, Bangkok
OCTOBER 22, 2016

UNDER the gloomy sky of Bangkok clouding the sadness of the people of Thailand with the departure of the late King Bhumibol Adulyadej, AFA held its 123rd Council Meeting hosted by FAP Thailand. AFA members expressed their condolences to the Thai Royal Family and the people of Thailand.



The final meeting for the year focused on the continuous strengthening of the Federation's governance and management. Through productive deliberations throughout 2016, the Council finally approved the amendments to the AFA Constitution & By-Laws. The amendments highlighted the Federation's intent to play bigger role in the region and contribute further to the global development of the profession.



The Federation also approved the AFA Research Grant as an initiative first raised through the AFA Task Force 2 mechanism. The Grant is a testament to AFA's strong intent to be the thought leader for SMEs topic in the ASEAN region. The AFA Council also acknowledged the finalisation of the Micro Accounting Model (MAM) as a culmination of the AFA Accounting Standards Group's discussion, as prepared by ISCA. Dedicated to AFA, the MAM will be made available as a reference for stakeholders in the region with interest in implementation of accounting for micro entities.



Change was a key feature for the meeting as Secretary General Nanthalath Thirakul resigned from his post with immediate effect. The Meeting also witnessed the change to the formal representative of Primary Member for Myanmar, from previously MAC to MICPA. This was due to latest development in Myanmar with regard to the new MAC Law that acknowledges MICPA as the recognised PAO in the country.

Acknowledging the importance of maintaining relation with IFAC, the AFA Council deliberated on the Strategic Review of IFAC Regional Engagement document. AFA has been active in communicating with IFAC, particularly in exploring possibilities for the Federation to be recognised as the region's professional organisation for the accountancy profession. The AFA Council also expressed their appreciation to the departing IFAC President, Olivia Kirtley, who has visited the region recently.

On the capacity building front, the Council was presented with updates on the global development in accountancy regulation by Sha Ali Khan and Bruce Eastman of ACCA, and on the good practice guide on quality assurance for audit by Mark Campbell and Jon Hooper of ICAEW.

In conjunction with the Meeting, AFA supported the hosting of the FAP International Conference 2016 on October 21 and the CPA Australia ASEAN Regional SMP Conference 2016 on October 20, held in Bangkok. Both events served as capacity building outlet for Professional Accountancy Organisations

and stakeholders in the region, and build regional awareness towards the latest development affecting the profession. Particularly for the SMP Conference, this further highlighted the Federation's objective to focus on issues that are relevant for SMEs and SMPs in the region.

The 124th AFA Council Meeting will be hosted by BICPA on May 2017. It will be followed by the 125th AFA Council Meeting and 120th AFA Conference that will coincide with the Federation's 40th anniversary, to be hosted by LCPAA.

LCPAA – AFA CONFERENCE

Lao Plaza Hotel, Vientiane
FEBRUARY 19, 2016

LAO Chamber of Professional Accountants and Auditors (LCPAA) supported by AFA organised a conference focusing on SMEs at the Lao Plaza Hotel, Vientiane. The seminar was part of the continuation of the Federation's effort in focusing on SMEs and SMPs issues in the region. The Conference provided particularly the Laotian SMEs with a better understanding about the challenges and opportunities that come with the ASEAN Economic Community. More than 250 participants actively participated in the one day event.

To support the theme of the Conference, a number of proficient speakers and panellists shared their views on the matter. Gerard Ee (Deputy President, AFA), Leong Soo Yee (Director, ACCA Asia Pacific), James Dickson (Deputy President, CPA Australia), Kingxay Chounlamouny (Director of SME Fund Division, DSMEP) and Dr Phirany Phissamay (President, LCPAA) were some of the contributors participated in the event.

The Conference was officially opened with a keynote speech from the Vice Minister of Finance of the Lao PDR, H.E. Bounchomh Ubonpaseuth. On behalf of the Minister of Finance of the Lao PDR, he reiterated the support from Lao government on SMEs development among others by setting up priority works for creating enabling environment for the Laotians SMEs, including improvement of accessibility to financial sources as well as increase support and enterprise development services. These are prepared to create opportunities for improving their capacities in the region to enable them to be more competitive, innovative and to be able to utilise the regional economic initiatives and incentives for their sustainable growth.

H.E. Ubonpaseuth and the participants also witnessed the induction process of newly appointed AFA President, Sonexay Silaphet, AFA Deputy President, Gerard Ee and Nanthalath Thirakul, AFA Honorary Secretary. The inauguration process marked with the symbolic handover from Estelita C. Aguirre, AFA President for the period of 2014-2015 to Sonexay Silaphet for the period of 2016-2017. The Vice Minister of Finance of the Lao PDR congratulated and delivered his support to the newly appointed AFA Office Bearers and wished them the very best in contributing to the development of the accounting and auditing profession in the ASEAN region.



CPA AUSTRALIA REGIONAL TECHNICAL SESSION

CPA Australia Singapore Office, Singapore
JUNE 16, 2016



IN realising the objective of improving the capacity of accountants in the region, CPA Australia, together with the Accounting and Corporate Regulatory Authority (ACRA) of Singapore hosted a regional technical session in Singapore. This exclusive session was supported by AFA and attended by more than 40 participants from the ASEAN region.

Presented by Ram Subramanian, Policy Adviser for CPA Australia, the session focused on audit quality – an analysis of global regulatory findings, more specifically looking at the International Forum of Independent Audit Regulators (IFIAR) 2015 survey findings report. Contributing to the discussion were panellists:

1. Julia Tay, Deputy Chief Executive, Accounting and Corporate Regulatory Authority (ACRA), who is the regulator for the accountancy sector in Singapore, responsible for oversight of public accountants, public accounting entities, and financial reporting of companies;
2. Yeoh Oon Jin, Executive Chairman, Pricewaterhouse Coopers LLP Singapore, representing the large accounting firms; and
3. Lo Wei Min, Managing Partner, Lo Hock Ling & Co, who is a practising accountant with more than 30 years of experience, representing the smaller accounting firms.



The discussion explored among others, audit quality indicators and the role of each stakeholders – regulators, practitioners, professional organisations, etc in contributing to the improvement in audit quality.



This regional session was a realisation of one of the Federation's programs – to conduct regional CPD/CPE sessions, providing opportunities for accountants in the region, particularly members of the AFA member organisations, to maintain their professional development and keeping up-to-date with the latest trend in the profession. AFA is looking forward to conduct similar sessions in the future, to meet the ever changing need of Southeast Asian accountants.

ASEAN REGIONAL SMALL & MEDIUM PRACTICES CONFERENCE 2016

Amari Watergate, Bangkok
OCTOBER 20, 2016

CPA Australia supported by AFA organised the ASEAN Regional SMP Conference 2016 at the Amari Watergate Bangkok. The Conference was a realisation of the Federations role to facilitate AFA member organisations in providing an opportunity for Small & Medium Practices (SMPs) in the ASEAN region to learn about the latest updates that might potentially affect their business environment.

The Conference was aimed at SMPs with interest in equipping themselves for opportunities that will arise across the region. In addition to its developmental focus, the Conference also provided the opportunity for SMPs across the region to network and potentially to form linkages with other ASEAN-based accounting practices.

Attended exclusively by more than 70 participants from around the region, the Conference also focused on preparing SMPs for the ASEAN Economic Community (AEC) and the progressive implementation of the ASEAN MRA on Accountancy Services. This also contributes to AFAs efforts in increasing the regional awareness towards SMEs and SMPs issues, acknowledging the importance of the industry to the region's economy development.

Among the topics presented to the audience were; 1) Working in the ASEAN Economic Community: Opportunities for growth, 2) Building partnerships, international linkages and global alliance networks, 3) Developing customer driven client solutions, 4) Technology in public practice, options for SMPs, and 5) Dealing with economic down turn – Transforming the SMP landscape.



FAP INTERNATIONAL CONFERENCE 2016

Centara Grand @CentaraWorld, Bangkok
OCTOBER 21, 2016

BACK-TO-BACK with 123rd AFA Council Meeting held in Bangkok, AFA participated in and supported the FAP International Conference 2016. Taking the theme *Digital Economy: Impact on Accounting Professions*, the Conference was attended by more than 350 participants. Most of the topics presented focussed on digital economy and how it might potentially impact the accountancy profession.

Speaking on the ASEAN perspective on digital economy, Gerard Ee (President, ISCA), Dato' Mohammad Faiz Azmi (President, MIA), and Prasan Chuaphanich (President, FAP) collectively identified the need for accountants to adapt to

changes that come with the introduction of technology in the accounting world. This sentiment was shared by most of the speakers as participants embraced the changes that come with the new dawn of the profession.

The Conference further highlighted the Federation's role in supporting the AFA member bodies' activities and providing avenues for accountants in the region to network and be updated on the latest trend affecting the profession. AFA continues to explore possibilities to collaborate with its members and stakeholders in the region, to host activities that bring benefits to the ASEAN accountants.



MIA CONFERENCE 2016

Kuala Lumpur Convention Centre, Kuala Lumpur
NOVEMBER 15-16, 2016

THE MIA International Accountants Conference is a flagship event designed by the Malaysian Institute of Accountants, dedicated to accountants and corporate leaders from all around the world. The Conference is supported by AFA and attended by accounting and finance professionals and leaders from the ASEAN region.

Known as the MIA Conference, the Conference which was held in Kuala Lumpur drew close to 3,000 delegates from the commerce and industry, public sector, public practice and academia. This largest gathering of accountants in this region showcased close to 70 sought-after speakers and industry captains who shared insights on today's most pressing issues, challenges and opportunities in the accounting and business world.

The theme of this year's Conference *Strengthening the Profession for a Sustainable Future* refers to building a future which will be sustainable and meaningful to the society and environment. It is also timely as it recognises the strategic role played by accountants in embracing change, innovation, and supporting sustainable economic development.

The Conference which was officiated by Datuk Johari Abdul Ghani, Finance Minister II of Malaysia is dedicated



to championing the accounting profession, maintaining high standards among members and nurturing the next generation of accountants, while focusing on continuous improvement for the betterment of the profession in nation-building.

MIA Conference 2017 is scheduled to be held in Kuala Lumpur on November 7-8, 2017.



IAI REGIONAL PUBLIC SECTOR CONFERENCE IV & NATIONAL ACCOUNTANCY CONVENTION VIII

Trans Studio Hotel, Bandung
DECEMBER 8-9, 2016



IAI, supported by AFA, successfully hosted the Regional Public Sector Conference IV & National Accountancy Convention VIII in Bandung, Indonesia, held in conjunction with the Institute's 59th anniversary. This series of events was a melting pot for more than 800 prominent accountants and representatives of the Government, regulator, universities, and other stakeholders in attendance.

During the event, IAI launched the Financial Accounting Standards for Micro, Small and Medium Enterprises (SAK UMKM). This will compliment the existing IFRS-based financial accounting standards, Sharia accounting standards, and accounting standards for entities with no public accountability (SAK ETAP). The launching was officiated through the handing over of the Standards from the President of the National Council of IAI, Prof Mardiasmo, to the Vice President of the Republic of Indonesia, H.E. H.M. Jusuf Kalla. The Vice President was in attendance to open the events which was also attended by a number of ministers of the cabinet, with the Minister of Finance, Sri Mulyani Indrawati as the highlight.



The events was also supported by a number of global accountancy profession bodies who are also the Associate Members of AFA; ICAEW, ACCA and CPA Australia. Each contributed a speaker; Mark Billington (ICAEW), Graham Drivers (ACCA) and Mark Hucklesby (CPA Australia) to participate in sessions on implementation of the accrual basis accounting in the public sector and the outlook to the role of professional accountants in 2025.



Taking the theme of "Professional Accountants Building the Nation", this series of events was initiated by the Akuntan Mengajar initiative on December 3rd, 2017. Through this initiative, members of the IAI's National Council and standards board were taken into 76 vocational high school classrooms throughout West Java to inspire the next generation of professional accountants. The Institute also conducted the CA scholarship program attended by thousands of university students from universities in West Java, and on December 5, an accounting and taxation clinic that brings together professional accountants and their business counterparts.

THE WORLD BANK GROUP PROJECT: IMPLEMENTATION OF IFRS IN THE LAO PDR

LCPAA Office, Ministry of Finance of the Lao PDR Office,
and the Bank of the Lao PDR Office, Vientiane
DECEMBER 15–16, 2016

AS a follow up to the proposed World Bank regional capacity building program on the adoption and implementation of IFRS in the ASEAN region, representatives of AFA, the World Bank Group, MIA, and LCPAA conducted two meetings with key stakeholders in the Lao PDR. The program is part of the World Bank's Financial Sector Integration Work Stream, focused on support to developing countries in the region, mainly funded by the Government of Malaysia. AFA and MIA are the implementing partners of the program, conducted in the Lao PDR in collaboration with LCPAA. Lao PDR has been identified as the pilot country for the program, with possible future implementation in other countries in the region.

Acknowledging the importance of key stakeholders' support and commitment, the mission was aimed to present the proposed program and secure the stakeholders' buy-in. Among the key stakeholders in attendance were the Director General and Deputy Director General of the Accounting Department of the Ministry of Finance of the Lao PDR, Deputy Governor, Deputy Director General of the Bank Supervision Department and Director of the Accounting Department of the Bank of the Lao PDR, and representatives of the Lao Securities Commission Office.

The proposed long term (4 years) program is composed of two components; 1) technical assistance with preparation of IFRS Transition Plan (country level trust fund), and 2) IFRS capacity building activities – sharing of implementation experience (Malaysian Government fund under the World Bank Kuala Lumpur office). The mission was also aimed to gather inputs from the Lao PDR stakeholders, to ensure effective implementation of the program.

AFA's participation in the program is a realisation of the Federation's role to support the advancement of the AFA member organisations and encourage adoption and implementation of international standards and best practices.



THE WORLD BANK GROUP VISIT

AFA Secretariat, Jakarta
FEBRUARY 11, 2016

THE World Bank Group representative, Roberto Tarallo visited the Institute of Indonesia Chartered Accountants' (*Ikatan Akuntan Indonesia – IAI*) office in Jakarta. Among his agenda was to meet with AFA Executive Director and be updated on AFA's activities and future initiatives, and to explore possibilities for the World Bank Group to work together with the Federation.

The visit was a follow up to Roberto's participation at the 117th AFA Council Meeting (Kuala Lumpur, January 31, 2015) in which he emphasised the importance for AFA to focus on priorities that the Federation would like to take forward, and the importance to find possibilities of aligning these priorities with the Bank's current focus. The Council has acknowledged the importance of the World Bank Group's support in leveraging AFA's position in achieving its objectives.

Among the things shared with the Bank were the Federation's main activities and achievements in the period

of 2014 to 2015, and future initiatives and priorities that AFA is intending to move forward with. Major emphasis was given on the importance of continuing the efforts to minimise the development gaps between member bodies through capacity building efforts.

Public sector accounting was also raised in the discussion, in line with one of the Federation's possible strategic objectives for 2016 – 2019; *to champion and contribute to efforts to enhance transparency and accountability in public sector*. Roberto highlighted the importance for PAOs to contribute to building public awareness on the issue, aside from contributing to implementation of the ASEAN MRA on Accountancy Services through various capacity building endeavours.

AFA and the World Bank Group are committed to strengthen the communication and cooperation between the organisations in particularly developing the accountancy profession in the Southeast Asia region.



THE ASIAN DEVELOPMENT BANK VISIT

AFA Secretariat, Jakarta
MARCH 18, 2016

THE Asian Development Bank (ADB) representatives visited the AFA Secretariat in Jakarta to discuss the progress in meeting the ASEAN Economic Community (AEC) targets for mobility of skilled labour and plans ahead of the ASEAN MRA for Accountancy Services implemented in selected occupational sectors (i.e. accountancy). ADB was

The meeting also served as an opportunity for AFA in sharing some activities that the Federation and its members have done last year, particularly in supporting the development and establishment of the ASEAN MRA on Accountancy Services. ADB is interested in exploring potential opportunities to provide technical assistances (scope and focus) to AFA and the ASEAN member states in supporting the achievement of the regional skills migration.



ADB's main concern is on whether the creation of a free flow of particularly skilled workers in the region is merely a utopia, considering the many potential barriers that either intentionally or unintentionally being introduced by the government of the ASEAN countries. The accountancy profession is expected to perform better in term of implementing and make use of the MRA compared to other professions that have made more progress (i.e. engineers and architects).

represented by Dr Guntur Sugiyarto, Senior Economist, Development Indicators and Policy Research Division and Christopher Manning, Consultant, Associate Professor, ANU College of Asia and the Pacific.

AFA and the ADB will continue to strengthen the communication and cooperation between the two organisations to assist each other in achieving the organisations common goals in the ASEAN region.

KICPAA COMPARATIVE STUDY VISIT TO IAI

IAI Office, Jakarta
APRIL 25, 2016

ACCOMPANIED by AFA, the Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) visited the Ikatan Akuntan Indonesia's (Institute of Indonesia Chartered Accountants – IAI) head office in Jakarta. The friendly visit was aimed as a learning opportunity, particularly from IAI to KICPAA, in sharing the management of the accountancy

profession in Indonesia and the development of the Chartered Accountant (CA) Indonesia as the professional qualification for accountants in Indonesia.

KICPAA representatives, consisted of; 1) Seng Chanthan, Governing Council member, 2) Sao Bunleap, Operation Manager, 3) Savuth Daly, Corporate Service Manager, and 4) Pen Sokuntheary were welcomed by a big delegate from IAI, represented by Council members, Prof Sidharta Utama, Maliki Heru Santosa and Dwi Setiawan Susanto, fully supported by the IAI's management. Also in attendance was IFAC Board member and past President of AFA, Ahmadi Hadibroto. AFA was represented by Executive Director Pratama.



The visit was also a realisation of the co-operation between AFA member organisations, particularly in assisting each other in developing member bodies' capacity, aimed at further minimising the development gap between the professions in the region. The CA Indonesia qualification that has been established for a couple of years brings many learning opportunities, particularly for KICPAA in exploring avenues to develop the national accountancy qualification in Cambodia.



KICPAA's visit to Jakarta was also important in supporting the implementation of the ASEAN MRA on Accountancy Services in Indonesia and Cambodia. Discussions were also focused on establishment of relevant regulations, required in supporting the implementation of the MRA and in general, in further developing KICPAA as the recognised Professional Accountancy Organisation (PAO) in Cambodia.

FRED IN ASIA PUBLIC SECTOR FORUM 2016

Aloft Kuala Lumpur Sentral, Kuala Lumpur
MAY 17–18, 2016

CO-HOSTED by the World Bank Group and the Confederation of Asian and Pacific Accountants (CAPA) the Financial Reform for Economic Development (FRED) in Asia Public Sector Forum 2016 was held in Kuala Lumpur. Executive Director Pratama, on behalf of the Federation, attended the Forum by invitation of the co-hosts.

The second FRED Forum took the theme of “Driving Future Outcomes from Past Experience” providing insights to 200 participants representing 33 different countries, most from the East and South Asia region. The Forum explored how improved public financial management contributes to strengthening the public sector, improving government accountability and transparency, and thereby supporting poverty reduction and economic growth.

Among the experts from government, NGOs and the private sectors who shared their experiences were:

1. **Y. Bhg. Tan Sri Dr. Mohd. Irwan Serigar bin Abdullah** – Secretary General of Treasury, Ministry of Finance of Malaysia;
2. **Samia Msadek** – Director, Governance Global Practice; World Bank
3. **Fayezul Choudhury** – Chief Executive, IFAC;
4. **Dato’ Mohammad Faiz Azmi** – President, MIA; and
5. **Ian Ball** – Chair, CIPFA International.

Some of the experts highlighted the potential role that PAOs can play in improving public financial management, build on identified good practices in public sector accounting and auditing, and explore how these can be mainstreamed across countries for effective resource mobilisation and management.

At the Forum, CAPA also launched its publication on attracting and retaining finance personnel in the public sector.



49th ASEAN DAY

ASEAN Secretariat Office, Jakarta
AUGUST 15, 2016



AUGUST 8 is observed as ASEAN Day, celebrating the unity between the ASEAN member states. AFA Secretariat under the invitation of the ASEAN Secretariat attended the celebration of the 49th ASEAN Day on August 15, 2016. Held at the ASEAN Secretariat office in Jakarta, the celebration was attended by dignitaries and representatives of important stakeholders of the ASEAN both in Indonesia and in the Southeast Asia region.

As one of the accredited ASEAN Civil Society Organisations (CSOs), AFA was invited along with a number of organisations representing different professions under the ASEAN such as engineers, architects and tourism professionals.

In this opportunity, AFA, represented by Executive Director Pratama through continuous communication with the ASEAN Secretariat also explored potential opportunities for AFA to collaborate with the ASEAN Secretariat and relevant stakeholders in conducting capacity building activities in the region. As an accredited ASEAN CSO, AFA has the privilege to submit project proposal for third party funding to be channelled through the ASEAN Secretariat. An example of an ongoing project under this initiative



can be seen in the Colour of ASEAN project (<http://www.rivercitybangkok.com/en/events-news/colour-of-asean-5746d0164c9b12cb088bb8f7>).

AFA is committed to pursue further avenues in improving its role as an ASEAN CSO.

AFA TASK FORCE ACTIVITIES

THE AFA Task Force was an initiative of the Federation under the leadership of past President Estelita C. Aguirre. Initiated in 2015, the Task Forces were established to focus on three priorities; 1) to close the gap between member bodies and support member bodies to become members of IFAC, 2) to articulate value proposition to AFA member bodies and stakeholders (through branding and thought leadership), and 3) for AFA to be recognised as an IFAC Acknowledged Accountancy Grouping.



The Task Forces have conducted a number of activities focusing on their respective objectives.

Closing the Gap between Member Organisations

AFA acknowledges the different development stages that each AFA member organisation is currently in. Country's economic maturity, political and social environment, support and resources available to the organisations are some of the factors that influence the level of maturity of the organisations and to a cer-

tain extent, the accountancy profession in their respective countries.

This is something that the Federation is focusing on, ensuring that unintended gaps can be minimised through among others member support, assistance, and knowledge sharing. A number of capacity building activities have been conducted by the Federation together with its members and key stakeholders in the region. The efforts also include consolidation of resources available to the member organisations. The Federation acknowledges limitation of resources as a common issue faced by most member organisations in the region.

Membership with and recognition from IFAC is also a key objective for the member organisations, particularly the AFA Primary Members. This is a culmination of ASEAN PAOs' efforts to continue in building their capacity and achieve a certain level of quality by meeting the IFAC Statements of Membership Obligations (SMOs).

Thought Leadership on SMEs and SMPs Issues

Regional and global recognition from stakeholders in and out of the profession is important for the Federation. AFA realised that articulating value proposition not only to its member organisations, but also stakeholders in the region, is important in order to establish AFA as the regional body for the profession. Providing advocacy to its members, promoting global best practice relevant to the profession, and providing a platform to network with global stakeholders are among the activities that have been conducted by AFA to achieve this objective.



AFA also put priority in establishing itself as the thought leader for Small and Medium-sized Enterprise (SME) issues that are relevant to the accountancy profession in Southeast Asia. Among the efforts that has been executed successfully by the Task Force is to establish the AFA Research Grant on SME issues. This initiative will be the first of many that the Federation will continue to pursue to further establish itself as the recognised CSO of the ASEAN.

Global Recognition

As a recognised Civil Society Organisation of ASEAN the Federation is inspired to be recognised globally as the regional body that represents the Southeast Asia accountancy profession (AFA's vision). Recognition from IFAC in particular has been a key priority for AFA as it will further highlighted the Federation's key role in developing the accountancy profession in the region. This would also strengthen both organisations' communication and efforts in exploring potential collaborations in the region.

AFA participated in the IFAC Regional Engagement Consultation process and contribute to the discussion with inputs that would bring benefits not only for AFA and its members, but the future of the ASEAN accountants.



AFA is in close communication with IFAC to continue its efforts to be recognised and explore future collaborations on activities in the region.

Strengthening of the Federation's Organisational Structure

Governance of the Federation's conducts and day-to-day operation is a major priority for the AFA Council. AFA has identified a number of changes necessary to further strengthen its internal operation and communication.

To further improve the effectiveness of the AFA member organisations' conduct in focusing on the identified priorities, AFA will be introducing the AFA Working Committees to continue the activities of the previously established AFA Task Forces. These Committees will be focusing on key priorities such as adoption and implementation of international standards, thought leadership on issues that are

relevant both for the accountancy profession and the Southeast Asia region, and PAOs capacity building.

The AFA Working Committees will continue the spirit of the AFA Task Forces and further strengthen the Federation as a key contributor to the development of the regional and global accountancy profession.

AFA CONTITUTION & AFA BY-LAWS

THE AFA Constitution & By-Laws was originally established in March 12, 1977 when the then AFA members 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 a number of 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 121st AFA Council Meeting, the AFA Council initiated a discussion to revisit the AFA Constitution and By-Laws that was last amended in 2007. The decision was based on the many changes that have affected both Southeast Asia as a vastly developing region and the global accountancy profession. The ASEAN Mutual Recognition Arrangement on Accountancy Services among other things is one of the key changes in the region that will reshape the future of ASEAN accountants. The Council also acknowledged the importance of aligning the Federation's objectives to those of particularly ASEAN and IFAC.

After careful considerations, at the 123rd AFA Council Meeting in Bangkok the AFA Council approved the amended AFA Constitution & AFA By-Laws, to be effective with immediate effect. A number of key amendments made are as follow:

Acknowledgment of AFA as an Accredited ASEAN Civil Society Organisation

The Federation is recognised as an accredited Civil Society Organisation of the ASEAN under the ASEAN Charter. Although a number of regional activities have been conducted prior to the recognition, it was only in 1994 that AFA was formally recognised by ASEAN. This acknowledgment has now been included in the document.

Clarification of Membership Requirements

As the Federation's membership grows, so does the need to establish a more robust and comprehensive membership regulation. This includes but not limited to, membership definition, and members' rights and obligations. The amended document reiterated the following:

1. AFA Primary Members shall be the recognised national Professional Accountancy Organisation of that country created under a specific statute or regulation of that particular county, or in the absence thereof, the recognised national organisation of accounting professionals in said country. Representation in the

Federation shall be by country, that is – one member organisation per country; and

2. AFA Associate Members shall be internationally recognised bodies of accounting professionals of any ASEAN member states or other countries which are friendly to and supportive of the objectives of AFA – even though they may be outside the territorial jurisdiction of ASEAN. Membership (full) with IFAC is a pre-requisite.

Alignment of AFA Objectives

The Federation acknowledges the importance of taking into consideration the many changes affecting not only AFA or Southeast Asia, but also the accountancy profession in general. AFA's aim to contribute in building the regional capacity and supporting global endeavours highlighted the Federation's openness to work together with key stakeholders within and outside of the region.

ASEAN with among others its ASEAN Economic Community and the ASEAN MRA on Accountancy Services, IFAC, IFRS Foundation, the World Bank Group and other donor bodies, and other key stakeholders are some of the important partners that AFA intends to increase its collaborations with. The Federation has made an effort to realign and redefine some of its objectives to those of the key stakeholders', taking into consideration the benefits that they will bring to the region and the profession.

Strengthening of the Federation's Organisational Structure

Governance of the Federation's conducts and day-to-day operation is a major priority for the AFA Council. AFA has identified a number of changes necessary to further strengthen its internal operation and communication. Also, to further improve the effectiveness of the AFA members conduct in focusing on the identified priorities, AFA will be introducing the AFA Working Committees to continue the activities of the previously established AFA Task Forces. These Committees will be focusing on key priorities such as adoption and implementation of international standards, and PAOs capacity building.

The amendment also brings with it reiteration of key governance issues such as internal communication and confidentiality of information.

The AFA Constitution and AFA By-Laws are available for download through the AFA website: www.aseanaccountants.org.

AFA RESEARCH GRANT

ASEAN Federation of Accountants

ASEAN
Federation of
Accountants
**RESEARCH
GRANT**

CALL FOR PROPOSALS

AT THE 121st AFA Council meeting in Vientiane the AFA Council approved the AFA Strategic Plan 2016-2019. Entitled *Building Regional Capacity, Supporting Global Endeavours* the document illustrates the Federation’s aspiration to be recognised as the leading regional accountancy organisation in Southeast Asia that represents the accountancy profession in the region.

Taking into consideration the dynamic nature of the business and economy environment and the many developments that have and will continue to affect the accountancy profession, the Federation has established a number of strategic objectives for the period, one of which is to obtain global recognition as the regional accountancy body of ASEAN and advocate on public interest issues for the region. In achieving this, AFA acknowledges the importance

of the SMEs (Small and Medium-sized Enterprises) as a major stakeholder that contributes to the development of the ASEAN economy.

The objective also in-line with one the Federation’s priorities in 2014 – to articulate value proposition to AFA member bodies and stakeholders (through thought leadership) by facilitating AFA member bodies in dealing with SMEs and related issues. SMEs and to a certain extent SMPs (Small and Medium-sized Practices), are topics that are of interest for countries in the region, taking into consideration the significance of the SMEs to the economical development of



most of the ASEAN countries. The importance of SMEs is further enhanced through the establishment of the ASEAN Economic Community 2015, which will provide opportunities for SMEs to expand their business in the region.

As SMEs as a sector grew, accountability became a necessity that cannot be separated by the whole interrelated process that link among others the small businesses, practitioners and lenders or capital owners. As a growing component of the global market, SMEs particularly those that are based in Southeast Asia require support and guidance to assist them in growing further. This most certainly could benefit from further research so as to best assist SMEs in particularly improving their accountability and thus, desirability.

Supported by ACCA and CAANZ as AFA Associate Members, the Federation established the AFA Research Grant focusing on SMEs issues to realise the goal of establishing AFA as the leader in the discussion on SMEs issues in the Southeast Asia region.

Open for international applicants, the Call for Proposals was published in early December 2016 with a deadline for submission set for February 23, 2017. Up to SGD20,000 was made available for applicants who meet the desired requirements to conduct the eight months research.

The selection for the Grant recipient was conducted by a panel of three experts with strong credentials in the SMEs industry, accountancy profession and academia background. They are:



Datuk Mohd Nasir Ahmad



Prof Lindawati Gani



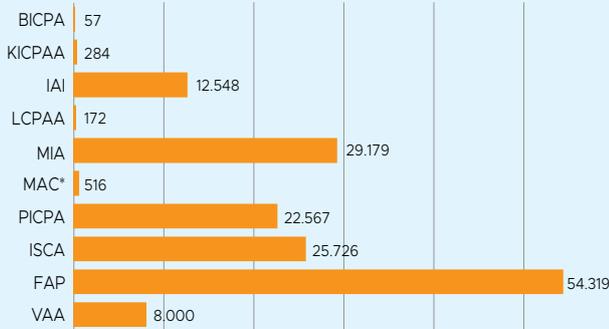
Prof James Guthrie

AFA is expected to launch the research report at the 20th AFA Conference scheduled to be held back-to-back with the 125th AFA Council Meeting in Vientiane on December 2017.

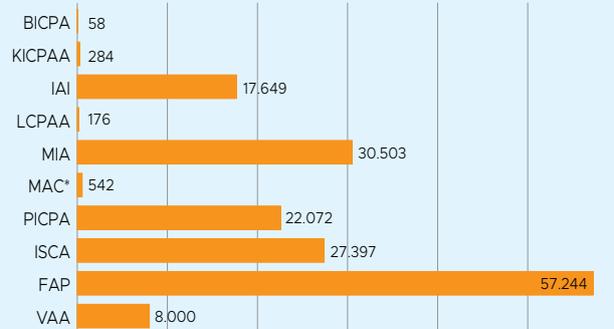
For more information about the AFA Research Grant, please visit www.aseanaccountants.org.

PAOs Membership

2012



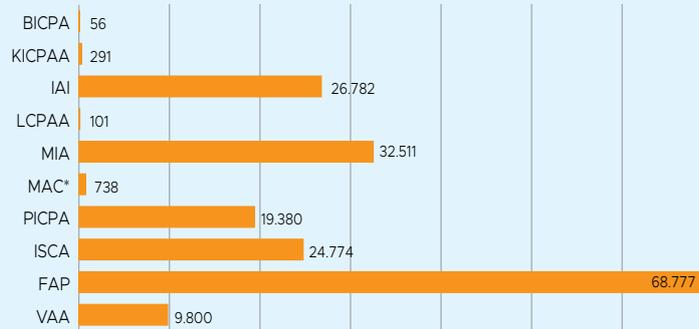
2013



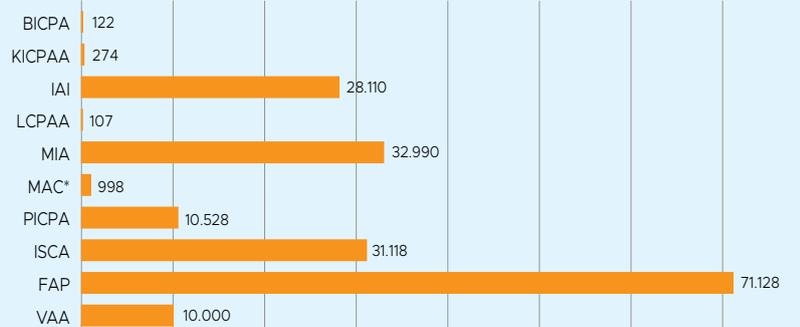
2014



2015



2016



*on 2016 changed to MICPA

News from Around The Region



ASEAN FEDERATION OF ACCOUNTANTS

- BICPA
- KICPAA
- IAI
- LCPAA

- MIA
- MICPA (MAC)
- PICPA
- ISCA

- FAP
- VAA
- CPA AUSTRALIA
- CAANZ

- ACCA
- ICAEW
- MICPA
- JICPA

BICPA



BICPA Academy

BICPA Accountancy Academy continues to hold full time and part time CAT courses, part time ACCA courses and CPD courses.

Collaboration with the Authorities

2016 saw close collaboration between BICPA and the Ministry of Education. BICPA was present in 21 public schools to create awareness for the BICPA Accountancy Academy and the prospect of becoming a Professional

Accountant. BICPA begins to see interest from the school leavers in joining the CAT program.

BICPA participated in a Higher Education Road Show organised by the Ministry of Education in February 2016 where BICPA showcased the ACCA and CAT programs, BICPA's past events and future plans.

In October 2016, organised by the Ministry of Education, two separate groups of teachers visited BICPA to gain a better understanding of the roles and objectives of BICPA, and the education programs run by the academy.

BICPA continues with its spirit of cooperation with the MOF (Ministry of Finance) such as meetings and discussions with the Central Bank on matters relating to IFRS for the audit of public interest companies (PIEs) and feedback on the Final Assessment Report. BICPA's members are actively involved with the MOF through the BDASC (Brunei Darussalam Accounting Standard Committee) and PAOC (Public Accountants Oversight Committee) in contributing towards the development of the accounting standards and accounting profession in Brunei Darussalam. Through their continuous effort BDASC has issued the exposure draft (ED) on the Accounting Standards for Non PIEs in October 2016.

BICPA collaborated with the authority in the placement of unemployed young graduates (including master degree graduates) as apprentice in the private sector, working part time from Monday to Thursday and classroom coaching at the BICPA Accountancy Academy on Friday and Saturday.



During the early stage of the work placement, 17% of the participants have secured permanent full time employment. For the 83% remaining in the scheme, upon the completion of their placement 16% were offered permanent full time employment by the companies that took them in as apprentice. 90% of the participants have completed the Module 1 and 2 of the CAT program with 10% progressing on with the ACCA program.

Local Events and CSR

BICPA provided a half day complimentary course in 'Basic Financial Accounting' with active participation from the micro SMEs businesses in Brunei. Additionally two social events were organised during the year.



On facial and hair care for BICPA's members

KICPAA



CAMBODIA



About KICPAA

The Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA or the Institute) is the statutory body and regulator for accounting and auditing profession in Cambodia which was established by the 2002 Law on Corporate Accounts, Their Audits, and Accounting Profession and subsequent the 2016 Law on Accounting and Auditing of the Kingdom of Cambodia. The Institute has been established in a view to protect public interest and the interest of the profession; to govern its members through professional capacity development; to enforce the compliance with standards, professional code of conduct, rules and regulations; and to develop and manage professional accounting education programs.

Membership

1. Firm members: 52
2. Individuals
 - a. Active members : 153
 - b. Affiliate members : 23
 - c. Trainee : 46

Continuing Professional Development (CPD)

In the efforts to 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. The workshops we have conducted were:

- Annual General Meeting



- Update on IFRS developments that will affect the application of IFRSs in Cambodia
- Cyber Security and IT Audit for business



Professional Qualification

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).

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 AQAC has **duties and responsibilities as follows:**

- Develop policies, procedures and guidance to monitor and assess the quality on audit and assurance of the registered auditors in Cambodia.
- Review on the implementation of auditing and assurance standards, audit quality standards, and code of ethics for professional accountants and auditors in Cambodia.
- Provide technical advice on the auditing and assurance standards, audit quality standards and code of ethics for professional accountants and auditors in Cambodia.

Since its establishment, the AQAC has achieved some achievements as below:

- Developed Quality Assurance Roadmap.
- Updated Quality Assurance review toolkits comprise (1) Firm Wide Quality Control Questionnaires and (2) Audit engagement questionnaires.
- Recruited appropriate consultants to build a sound system of Quality Assurance, training the professionals and performing a quality review inspections on site.

Other

Coordinating Committee on Services (CCS)

The 85th CCS Meeting in Vietnam as 4th ACPACC Meeting, KICPAA had involved assisting the national regulator, National Accounting Council (NAC), with the fulfilment of national assessment report on Chartered Accountants so that this assessment would be informative and helpful to the development of Foreign Registered Chartered Accountants in line with ASEAN level.

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 is actively assisting the MEF to develop these two Prakas.

Miscellaneous

- Secretariat of KICPAA is actively involving in promoting accounting profession through collaboration with ACCA and the NAC.
- KICPAA also participated in developing regulations/rules regarding to the enforcement of Anti-Money Laundering in Cambodia. We have send our staff to be a contact person for any related matters to Money laundering and terrorism financing etc.
- KICPAA has provided inputs to the draft Prakas on the recognition of the auditing firms in securities sector in Cambodia.



IKATAN AKUNTAN INDONESIA
Institute of Indonesia Chartered Accountants

IAI



INDONESIA

Meeting with the Commission One of People's Representative Council of the Republic of Indonesia to Discuss the Implementation of the ASEAN Economic Community (AEC)

The Commission invited representatives of eight profession organisations in Indonesia that come under the Mutual Recognition Arrangements (MRAs) endorsed by ASEAN leaders to promote freer movement of skilled labour. The meeting was aimed to provide insight to the Council for the purpose of establishment of regulations to support the implementation of the AEC.

IAI expressed its commitment to support the AEC particularly through its Chartered Accountant (CA) Indonesia qualification. Certification and professionalism are some of the key requirements to prepare Indonesian accountants to participate in the regional initiative. All representatives in attendance shared the sentiment for the Government to take serious action to encourage Indonesian to increase their skill on particularly entrepreneurship, science, technology, and language (English).

The Minister of Finance Decree No. 233/PMK.03/2015 on Asset Revaluation

On December 21, 2015, the Ministry of Finance has issued the Minister of Finance Decree No. 233/PMK.03/2015 on Asset Revaluation to amend several propositions on Minister of Finance Decree No 191/PMK.010/2015 regarding asset revaluation for FY 2015–2016. The changes include the scope of fixed assets, restriction periods, recording of revaluation difference and special provisions for State-Owned Enterprises.

Appointment of Jusuf Wibisana into the Accounting and Auditing Organisation for Islamic Financial Institutions Accounting and Auditing Standards Board (AAOIFI)

IAI proudly announced the appointment of Jusuf Wibisana into the AAOIFI Accounting and Auditing Standards Board for the period of 2015–2019. AAOIFI is an Islamic international autonomous not-for-profit organisation that issue accounting, auditing, governance, ethics and Sharia standards for Islamic financial institutions and the Islamic finance industry.

Mr Wibisana currently serves as the Chairman of the IAI Sharia Accounting Standards Board, and is a managing

partner of PwC Indonesia. He is the only representative from Southeast Asia in the current Board.

Indonesia Advances Plan to Achieve Full Convergence with IFRS Standards

On May 25, 2016 at the Ritz Carlton Hotel, Jakarta, the Trustees of the IFRS Foundation, the Indonesia Financial Services Authority (OJK) and IAI announced their intention to deepen cooperation as Indonesia develops its plans to achieve full convergence with IFRS Standards. The plans were set out in a Joint Statement agreed by all the three parties on the occasion of the Trustees' meeting held in Jakarta May 24–26, 2016.



The Joint Statement reaffirms Indonesia's commitment to the G20-endorsed goal of a single set of global accounting standards, and its intention to achieve that goal through full convergence with IFRS Standards. This statement also





describes the Trustees' desire to fully support Indonesia's transition to IFRS Standards by exploring opportunities to further involve Indonesian stakeholders in the work of the IFRS Foundation and the International Accounting Standards Board (IASB), including in its advisory bodies. This also underlines the importance of the IASB work to ensure that IFRS Standards are applied on a globally consistent basis across both emerging and developed economies, and are relevant to all types of financial transactions.

In this occasion, the IFRS Foundation and IAI jointly hosted a full program of meetings and conference which includes the IAI-IFRS International Conference 2016. The chosen theme was *IFRS Beyond 2018: The Changing Landscape of Financial Reporting*.

IAI Published the New Accounting Standards for Micro Small and Medium Entities

The Indonesian Financial Accounting Standards Board (DSAK IAI) as the accounting standard-setter in Indonesia under IAI has successfully issued a new set of accounting standards for the micro, small, and medium entities in Indonesia. The standard will be effective January 1, 2018 and is applicable for entities that meet the definition of a micro, small, and medium as established in relevant Law applied in the country.

The standard is a simplified set of standards that reflect the smaller size and simpler nature of micro-entities. With



the issuance of this standard DSAK IAI wished to assist, support, and encourage these entities to prepare a proper financial report.



The establishment of this standard will compliment the current set of standards applied in Indonesia which consisted of the IFRS-based standards and accounting standards for entity with no public accountability.

Chartered Accountants (CA) Indonesia Scholarship Program

IAI together with The Institute of Chartered Accountants in England and Wales (ICAEW) established a scholarship award program for outstanding accounting students in Indonesia to encourage their ultimate entry as professional accountants. The objective of this program is to bring the best talents from the Universities to be a part of accountancy profession development in Indonesia.



The scholarship is available for university students in Indonesia majoring in accounting, with 3,00 minimum GPA, fluent in English and passed the placement test held by IAI and ICAEW. The student who passed the examination will be awarded an IAI student membership, full scholarship for Indonesia CA Certification examination, scholarship to join Certificate Level ICAEW, and many more.

Indonesia Financial Services Authority (OJK) Issued a Draft Rule Imposing New Audit Rotation Requirement

OJK issued a draft rule on the use of public accountants' services and public accountant offices by entities that are supervised by OJK. OJK also invites the Indonesian stakeholders to comment.



The draft rule applies to public accountants and “entities supervised by OJK” as the users of the public accountant services. The draft rule defines “entities supervised by OJK” broadly as entities under the supervision of OJK including those that conduct activities in the banking, capital market, insurance, pension funds and financing sectors, as well as entities that have submitted a registration statement to OJK or entities whose registration statements have been declared effective by OJK.

IAI as the recognised PAO in Indonesia is committed to continue supporting the development of accountancy profession in Indonesia by submitting its comment to the OJK. In general, IAI supports OJK effort to enhance the improvement of audit quality. However, IAI suggested that OJK conducts further research on the provisions that set term limits for the firms' audit services. Furthermore IAI is ready to cooperate with OJK to ensure the successful efforts to improve the quality of financial information of entities supervised by OJK.

IAI Continuous Support for the General Election Commission of Indonesia (KPU)

As part of the continuous support to KPU, IAI has agreed to cooperate with KPU to review the Campaign Fund Reporting Guidelines to be in line with the new regulation set out by the KPU related to the Regional Elections in 2017. IAI will assist the development of the KPU's IT department to be able to support the implementation of the campaign fund financial reporting.

IAI Gains International Brand Recognition a Member of the Chartered Accountants Worldwide (CAW)

IAI has been awarded with the Associate membership by CAW. IAI is the fifth professional body to be admitted to the organisation since it was established in February 2013.

As an Associate, IAI joined a group of globally-recognised CA bodies that are committed to enhancing the value of the brand and the profession. Its membership recognises the importance of the qualification in Indonesia and demonstrates IAI's commitment to the highest professional and ethical standards.

IAI Issued PSAK 70 to Support the Indonesia Tax Amnesty Program

Indonesia tax amnesty program broke the world record for the amount of additional tax revenue, reflecting the public's confidence and trust on tax and economic reforms under



President Joko Widodo's administration. The government issued Law No.11 Year 2016 about Tax Amnesty, to boost the government's tax revenue by offering tax evaders attractive to come clean and declare their previously undeclared asset.

To support this program, DSAK IAI on behalf of IAI issued the Indonesian Financial Accounting Standard (PSAK) 70 on Accounting for Tax Amnesty Assets and Liabilities. PSAK 70 provides certain guidelines for an entity to prepare their financial report after joining tax amnesty. The standard is effective from the issuance of Law No.11 Year 2016.

National Accountancy Symposium XIX Lampung

National Accountancy Symposium (SNA) XIX was successfully held by IAI Educator Compartment (IAI KAPd) on August 24-27, 2016 in Universitas Lampung, Lampung. This yearly event is one of the prestigious research competences in Indonesia, attended by 1,000 accountants. The theme of the event was *Education as the Catalyst of Revitalization of Accountants Role: Stakeholders Collaboration for a Better Indonesian Accountants*. The XIX SNA received 960 papers, and selected 185 full papers and 115 poster papers to be presented in this event. The Ministry of Research Technology and Higher Education of Republic of Indonesia, Prof. M. Nasir., Ak., CA was also in attendance to deliver the keynote speech.



Indonesia Annual Report Award 2015

OJK together with the Bank of Indonesia, the Indonesian Stock Exchange, the Directorate General of Taxation, the Ministry of States-Owned Enterprises, the National



Committee on Governance and IAI co-hosted The Annual Report Award (ARA) 2015. The chosen theme was *The Quality of Disclosure Information to Support the Company Sustainable Performance to Achieve the Global Competition*. 303 companies participated in the event, consisted of listed companies, private companies and State-Owned Enterprises.

59th Anniversary of IAI: Regional Public Sector Conference IV & National Accountancy Convention VIII

IAI successfully hosted the Regional Public Sector Conference IV and National Accountancy Convention VIII as part of the Institute's 59th anniversary. Held in Bandung, West





Java on December 8-9, attended by more than 800 accountants, the series of events commemorate IAI's continuous contributions to the profession and Indonesia's ever growing economy. The theme of the event was *Professional Accountants Building the Nation*.

The important role of professional accountants in Indonesia is very much acknowledged by the Vice President of the Republic of Indonesia, H.E. H.M. Jusuf Kalla. In his remarks he highlighted the role of good accountants and the trust

that comes with the profession in particularly supporting the Government's endeavours in building the nation's economy. In this opportunity, Prof Mardiasmo as the President of the National Council of IAI handed over a set of the accountancy profession standards issued by IAI, with the Financial Accounting Standards for Micro, Small and Medium Enterprises as the highlight.

Vice President Kalla's sentiment was shared by the Minister of Finance of the Republic of Indonesia, Sri Mulyani Indrawati during her packed session. Highlighting the key role that accountants can play in supporting the Government's initiatives, for example the Tax Amnesty program, she encouraged accountants to lead by example and contribute to the success of these initiatives.

Supported by the ASEAN Federation of Accountants and attended by a number of prominent speakers representing global accountancy profession bodies such as ICAEW, ACCA, CPA Australia and CIMA, the series of events also brought up a number of key accounting issues such as implementation of accrual basis accounting in the public sector and an outlook to the role of professional accountants in 2025.

LCPAA



LAO PDR



Preparation for IFAC Membership

To be a globally recognised professional body and to build the trust of stakeholders who used LCPAA's service, LCPAA strives to be a member of the international Federation of Accountants (IFAC) by submitting its application form and draft action plan following the Statements of Membership Obligations (SMOs) to IFAC to be considered.

Preparation for the Implementation of Mutual Recognition Arrangement on Accountancy Services

Under the Second Trade Development Facility Project between the Ministry of Industry and Commerce (MoIC) and the Ministry of Finance (MoF) funded by the World Bank, LCPAA as the national professional accountancy body that is in charge of assisting the Accounting Department of MoF to implement the ASEAN Mutual Recognition Arrangement on Accountancy Services, is working with the international consultant of that project. This includes how to prepare LCPAA and MoF to recognise foreign CPAs to be Lao CPAs.

Annual General Meeting of LCPAA Members

LCPAA Annual General Meeting held in April 2016, marked an annual gathering among LCPAA members, Officers from Accounting Department, Ministry of Finance. The meeting was officially opened by Director General from the Accounting Department Mr Chanthasith Senaphanh. During this meeting the draft annual financial and operational reports including all activities in year 2015 were wrapped up and the professional training plan was presented to its members for approval. In addition, the amended bylaw of LCPAA was presented for implementation.

Setting up of the Education Committee

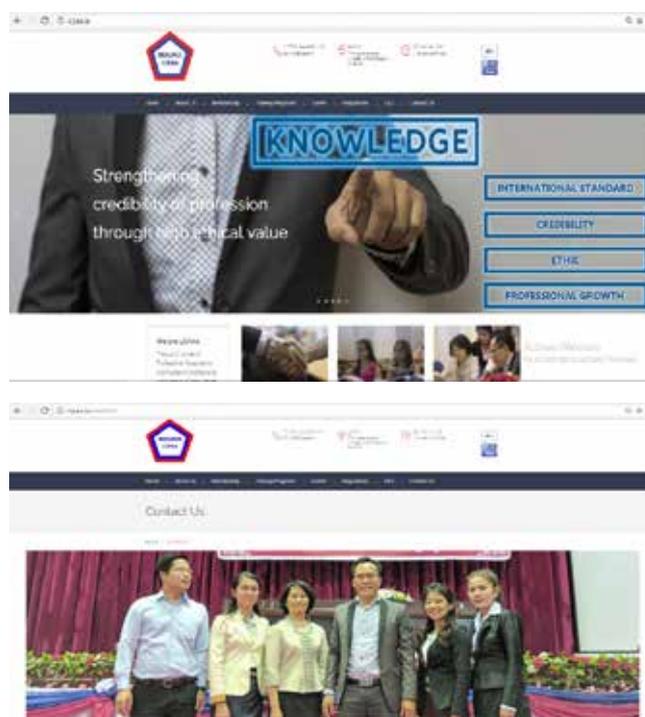
In accordance with LCPAA bylaw, an Education Committee was established to prepare CPA, CPD and other professional



training programs as well as training materials to ensure the sustainability of its training programs. In addition to this, LCPAA also plan to set up other committees in the near future such as Registration Committee and Disciplinary Committee

Development of LCPAA Website

LCPAA has finished developing its website In order to promote the development of accountancy profession that LCPAA is in charge of and in order to manage its members and provide more information about LCPAA organisation and training activity. The website can be accessed via www.lcpaa.la



Cooperation with other Professional Bodies and Organisations

Cooperation with FAP

LCPAA and FAP extended their cooperation by signing an MoU on IFRS training on trainers to assist LCPAA in upgrading their professional accountancy trainers and others accountants to acquire IFRS which are adopted by the Lao Government to be applied by Public Interest Enterprises.

Cooperation with ACCA

LCPAA and ACCA also renewed their existing partnership to build capacity and develop world-class skills in accountancy profession in Laos by signing an agreement allowing LCPAA to use ACCA qualification on February 19, 2016.



Cooperation with the Ministry of Finance

LCPAA and the Accounting Department had jointly organised a workshop on August 25, 2016, to introduce and get feedback from all practicing accountants and other stakeholders, on the Draft Code of Ethics that has been recently issued by MoF in October 2016.

Cooperation with ISCA

LCPAA has signed a MoU with ISCA in order to explore capacity building opportunities to help develop the accountancy profession in Lao PDR in areas such as training of accounting technicians, continuous professional development (CPD) and exchanging expertise, experience and best practice.



Cooperation with CPA Australia

LCPAA signed a Memorandum of Understanding with CPA Australia on December 6, 2016 in order to enhance the mutual cooperation through promoting the common develop-

ment of the accounting profession, advancing the interest of respective members of the bodies and contributing to the advancement of the accounting profession generally.



Cooperation with the World Bank

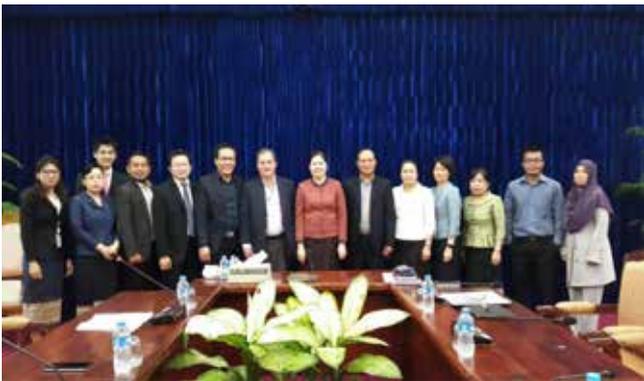
LCPAA is working with World Bank (WB) in order to realise some supporting programs to assist LCPAA capacity building and other training program which will take place in the near future.



Cooperation with AFA, the World Bank and MIA

LCPAA together with Ministry of Finance (MoF) and Bank of Laos (BoL) has received representatives from AFA, the

World Bank, and the Malaysian Institute of Accountants (MIA) on December 15-16, 2016 to discuss on the IFRS Transition, through series of capacity building activities project which will implement in the near future.



Professional Qualification Program

LCPAA has finished its 1st trimester of CPA training course using ACCA syllabus including 3 subjects of fundamental levels: Accounting in Business, Management Accounting and Financial Accounting. The 2nd trimester including Performance Management, Performance Management and Financial Management is in the ongoing process.

LCPAA is also actively carrying out 12 hours CPD programs to its members and those interested on weekends. The actual training topics are as follows:



- Ethics
- Taxation
- Financial Accounting – Accounting Procedure and Internal Control

Co-organised Trainings with Other Professional Bodies

LCPAA and FAP:

1. *International Financial Reporting Standard: Co-organised training of trainer on International Financial Report Standard (IFRS) to enable participants to understand steps from present Lao accounting principles to the implementation of those international standards explanation of accounting records. It was held from July 9 to August 21, 2016 with 29 participants from various firms in Laos.*



2. *International Standard on Auditing*: Co-organised training of trainer of International Standards on Auditing on November 26-28, and December 22-23, 2016. This training aims to upgrade the knowledge and skill of experience auditors and, chief accountants who work in the Public Interest Entity (PIE), big firms and other entity and those who are interested in International Standards on Auditing. 30 participants from Audit firms and other organization have joined the training.



LCPAA and ISCA

Audit of Key Financial Statement Assets

LCPAA has successfully finished co-organised training with ISCA on the topic of Audit of Key Financial Statement Assets. The training aims to This training is designed for



auditors who have nil or few year experience including audit assistants to senior level from audit partners or firms. The ultimate aim of this training is to upgrade the knowledge and skills of auditors on 'key financial statements of assets'. The training took 5 working days on October 24-28, 2016.

SMP Link up LCPAA-ISCA

LCPAA together with ISCA co-organised SMP networking for Lao and Singapore SMPs on October 23, 2016.



LCPAA, CPA Australia and E&Y

LCPAA together with CPA Australia and Lao E&Y successfully organised Professional Workshop on International Experience Sharing on IFRS Implementation on Tuesday December 6, 2016. More than 100 participants from LCPAA members, E&Y members and client and CPA Australia members participated in the workshop.





Meeting, led by the newly appointed AFA President, Sonexay Silaphet.

Experience sharing in workshop consisted of sharing on IFRS implementation and recent IFRS Updates presented by Mr Ram Subramanian, Policy Adviser-Reporting, Policy & Corporate Affairs of CPA Australia, sharing Over view of the legal framework of adopting IFRS in Laos presented by Dr Phirany Phissamay, President of LCPAA, International experience sharing on IFRS adopting by Mr Keith Pogson, Senior Partner, Financial Services, Asia Pacific, EY and the final sharing was from Sonexay Silaphet, Vice President of LCPAA on Overview about the adaptation of IFRS in Laos. At the end of the workshop also included Panel Discussion and Q&A by Mr Ram Subramanian, Dr Phirany Phissamay, Sonexay Silaphet, Keith Pogson.



Other Events

LCPAA successfully organised the LCPAA-AFA workshop on the February 19, 2016 with the theme of ‘Challenges and opportunities for SME growth in AEC’ with the support ACCA and others and the participation of all AFA members. This was held back-to-back with the 121st AFA Council



MIA



Building the Nation and the Region

As a key driver of economic and social growth, the accountancy profession plays a critical part in ensuring national and regional wellbeing. Through its dual roles as regulator and professional accountancy organisation, the Malaysian Institute of Accountants (MIA) is committed to strategising and implementing initiatives which empower national and regional development.

Deepening International and National Collaboration

Notably, MIA invests heavily in strategic relationship management with its global and regional peers. We leverage on collaboration and cooperation to help establish Malaysia's reputation as a professional accountancy hub and enhance our competitive advantage in global markets. Today, our unique insights into the ASEAN and Asia-Pacific (APAC) markets and our expertise in Islamic finance and *shariah* accounting are increasingly sought after by influential international bodies and standard-setters. For instance, MIA Chief Executive Officer Dr Nurmazilah Dato' Mahzan had been invited to share her views at the prestigious IFAC Chief Executive Forum held in New York from Feb 29 – March 1, 2016.

MIA was also privileged to organise the exclusive high-level IAASB (International Auditing and Assurance Standards Board) – MIA – ACCA Roundtable in April 2016. This was the sole IAASB regional programme held in APAC up to June 2016, which was personally attended by IAASB President Arnold Schilder along with IAASB senior executives and invited industry leaders and regulators from leading APAC markets. The Roundtable sought to gather feedback to enhance assurance standards which in turn are intended to improve good governance and inspire market confidence.

At the same time, MIA works closely with regulators, professional bodies and the public and private sector locally and abroad to up-skill members and enhance competency in parallel specialised sectors requiring accountants' expertise, such as forensics and fraud, fintech, valuation, governance, insolvency, goods and services taxation, transfer pricing, public sector finance and Islamic finance. This content is effectively delivered through our engaging seminars, many of which are jointly held with our peers.

In 2016, our successful collaborative platforms included:

- The MIA-iPAM-MICPA Insolvency Conference – MIA together with the Insolvency Practitioners Association of Malaysia (iPAM) and the Malaysian Institute of Certified Public Accountants (MICPA) organised the Insolvency Conference 2016 with the theme, *The Companies Bill 2015: A New Horizon for Insolvency*, focusing on new company and business regulations and implications for business sustainability and governance.
- The MIA – Chartered Institute of Public Finance & Accountancy (CIPFA) Public Sector Financial Management Conference 2016 – Themed *Driving Improvements in Service Delivery*, the two-day conference focused on the ongoing transformation of Malaysian and global public financial management systems to achieve better governance and transparency and service delivery to stakeholders. CIPFA Chairman Dr Ian Ball delivered the keynote presentation entitled *Shaping Sustainable Finance to Drive Public Financial Management*.
- The MIA-MICG Governance Symposium – Themed *Driving Public-Private Governance Forward*, the symposium discussed innovative solutions to bridge the governance gap in both the public and private sectors, spur sustainable economic growth and inspire public and market confidence.

Embracing Innovation and Digital Potentials

Through digital initiatives, MIA is embracing the vast potential of the digital economy by investing in infrastructure and soft assets. In September 2016, we moved to our new headquarters in Bangsar South which is an MSC Malaysia Cybercentre. This IT-ready location attracts abundant capital and talent and supports our future digital expansion.



In our continuous efforts to enhance members' satisfaction, MIA had also launched the Membership Privilege Card mobile application (Membership Mobile App). The app functions as a digital membership card and features the latest circulars and announcements, updated CPE credit hours and membership benefits and privilege catalogue.



We regularly refresh our learning content together with thought leaders and regulators to create digital awareness. Crowdfunding and data analytics are frequent themes in our CPD; 2017 CPD will add richer content on big data and fintech and guide accountants on how to integrate digital strategies and tools in their business models.

Enhancing Financial Disclosure

Accountants are synonymous with financial reporting and corporate disclosure, and MIA continues to champion high-quality, transparent and useful corporate information through the National Annual Corporate Report Awards (NACRA) and our annual Integrated Reporting Conference. Every year, MIA works together with Bursa Malaysia and the Malaysian Institute of Certified Public Accountants (MICPA) to organise NACRA, which recognises organisations that excel in corporate reporting. NACRA works to build robust and transparent markets through quality reporting to



stakeholders and investors, enabling informed decision-making and strengthening confidence. NACRA aims to continually raise the bar on the standard of corporate reporting and hence NACRA criteria is constantly reviewed and enhanced each year to bring reporting in line with evolving regulations and market expectations.

Going forward, NACRA will include sustainability reporting in future award cycles in alignment with global developments and best practices. NACRA hopes to encourage more companies to communicate a clear, concise, integrated story that explains how all of their resources and capitals are creating value. Bursa Malaysia has made Sustainability Statements compulsory on a staggered basis over three years, starting from December 31, 2016 to December 31, 2018.

MIA drives <IR> advocacy through its dedicated Integrated Reporting Steering Committee (IRSC) set up in December 2014 to create <IR> awareness in Malaysia, encourage more companies to engage in <IR>, and achieve critical mass in <IR>. We are ably supported by the government, which strongly endorses <IR> and MIA's initiatives to spearhead Malaysia's international branding via <IR> and support economic transformation and nation-building. To boost <IR> momentum, MIA has initiated awareness programmes to educate stakeholders about the importance of <IR> to the country's markets and businesses and accountants' role in <IR>. In 2016, MIA organised its inaugural 2016 <IR> Conference: *Connecting the Dots*, which was attended by over a hundred CEOs and CFOs from Malaysia's leading corporations. Other <IR> initiatives include organising one-on-one sessions with certain public listed companies (PLCs), participating in the International Integrated Reporting Council's <IR> Business Network, conducting an investors' roundtable as well as an engagement session with Malaysian businesses.

Engaging Diverse Stakeholders Creatively

Another ongoing initiative is to build up competency and quality through continuing education and learning platforms. This is applicable both to our general membership, as well as in strategic sectors such as small and medium practices and accountancy education which are pillars in nation-building.

The MIA International Conference 2016 (MIAC 2016) is the apex of MIA's annual calendar, and ranks as one of the most prestigious regional accounting events. In 2016, the Conference surpassed previous records by drawing nearly 3000 delegates from 16 countries. The theme of this year's conference ***Strengthening the Profession for a Sustainable Future*** focused on the structural, legislative and cognitive

reforms endorsed by the Government's Committee to Strengthen the Accounting Profession (CSAP). These are shaping a more enabling environment for accountants, who in turn must revise their mindsets and behaviours.



As a premier learning conference, MIAC 2016 exposed delegates to key new developments and disruptions through 16 plenary and concurrent sessions featuring 67 experts and leaders. Common themes were leveraging digital disruptions, instilling growth mindsets, and achieving better governance, transparency and market confidence.

MIAC 2016 also emphasised inclusiveness and the importance of integrating knowledge across silos, which is critical as accounting and auditing spread beyond quantitative assurance and reporting to include qualitative narrative and intangible matrices. Underlining the message of unity, passion and sacrificing to build the nation, MIAC 2016 showcased Malaysia's iconic football greats Datuk Soh Chin Aun, Datuk Santokh Singh, Datuk James Wong and Datuk Hassan Sani and their legacy of resilience and excellence. It's going to be difficult to outdo MIAC 2016, but we hope to do even better in 2017.

On a more micro basis, MIA emphasises SMP development, because SMPs traditionally function as financial advisors to SMEs which make up the backbone of the Malaysian economy. In 2016, MIA organised diverse initiatives to improve SMP performance in risk management, access to finance and technical quality, among others. These included programmes on Risk-based Core Audit Training and accessing government grants and finance, and the publication of **Illustrative MPERS Financial Statements**, a guide on how to implement Malaysian Private Entity Reporting Standards which are equivalent to IFRS for SMEs.

MIA had also announced a new initiative to enhance audit quality among SMPs, i.e. the Quality Assessment Programme (QAP), with the signing of an agreement between

MIA and MICPA on October 25, 2016. The signing of the agreement is a step forward for both parties in ensuring audit firms comply with auditing standards as well as MIA By-laws in relation to audit engagements on financial statements prepared in accordance with approved accounting standards. SMPs are encouraged to participate in this initiative.



Similarly, MIA stresses education initiatives, because accountancy educators play crucial roles in strengthening and expanding the talent pipeline, and they serve as advisors and role models for aspiring accountants who are the future successors and torchbearers for the profession. In 2016, accountancy educators were apprised of how to integrate the latest professional and pedagogical developments in their teaching through specialist workshops such as MIA – ACCA Train the Trainers Workshop and the MIA CPAA Workshop. Thinking creatively, MIA aims to lend its financial expertise to public higher education institutions to help them manage their finances in spite of budget cuts. We discussed these issues at an inaugural roundtable with academicians in August 2016.

Celebrating 2017

We might be accountants, but we're not all work and no play. MIA is delighted to be celebrating its Golden Jubilee in 2017, which marks 50 years of milestones in the Malaysian accountancy profession. We expect 2017 to be an exceptionally busy year, as we invest effort in our initiatives to improve capacity, competency, quality and good governance to inspire public and market confidence, all while organising our special jubilee events with a bang. Nevertheless, we pledge to work with even more dedication, creativity and resilience to achieve our holistic goals of developing the accountancy profession in support of building the nation and the region.

MICPA



MYANMAR



MICPA Executive Committee Meetings

The MICPA Executive Committee has held a total of 11 meetings to discuss and passed resolutions on matters relating to the professional development of its members, collaboration with foreign professional accounting institutions, CPD programs for PPAs, etc. for the year under review, all of which are geared toward advancement of professional accounting in Myanmar.

Recognition of MICPA as the National Accountancy Body The new Myanmar Accountancy Council Law (MAC law) that was enacted by the Pyithu Hlut Taw (Parliament) in June 2015 recognised MICPA as the National Accountancy Body and prescribed its duties and powers, which, *inter alia*, are as follows:

- Co-operating with MAC (Council) on the matters of accountancy and accounting.
- Giving advice to the Council on the curriculums, rules, regulations, standards and procedures that ought to be prescribed or amended.
- Cooperating with the international professional accounting bodies for the modernization of accounting.

Arranging to conduct CPD programs.

Membership in the ASEAN Federation of Accountants (AFA) in place of MAC

Since MICPA has become the National Accountancy Body under the new MAC Law, an application was made to AFA to replace MAC with MICPA as a primary member in accordance with the regulations of AFA. The AFA members approved the appointment of MICPA as a primary member in place of MAC at the 123rd AFA Council meeting held in Bangkok, Thailand on October 22, 2016.

Membership in IFAC

According to MAC Law 2015, MICPA has been recognised as National Accountancy Body. The process of applying for IFAC membership has been commenced since early 2016. At present, responsible officials of MICPA are preparing Statements of Membership Obligations (SMOs) as required by IFAC. Apart from IFAC membership, MICPA has been preparing to sign open license agreement with IFRS foundation in the process of adopting IFRS as National Accountancy Standards. As part of the IFRS adoption

process, MAC will release a notification shortly for listed and non-listed public companies, insurance companies and banking companies to comply with full IFRS.

CPD Seminars

MICPA has been conducting CDP Seminars at least once a month, in an effort not only to widen the horizons and improve the professional, technical competency of its members, but also to enable them to match up to the international professional standards so as to be recognised as qualified accountants by international professional accounting institutions. A total of 12 seminars were held in 2016.

Accounting and Auditing Fair (2016)

The Accounting and Auditing Fair (2016), which was organised by the office of the Auditor-General of the Union with the active co-operation and participation of MICPA, was held on 9/10 July 2016 as a priority operation in the 100-day period of the new Government, in order to highlight the importance of professional accounting and auditing as a “must have” for the economic growth of the country as well as of corporate bodies. It was attended by CPAs, ACCAs, CPA/DA students and other interested persons, totaling nearly 10,000 daily. The main objectives of this fair are given below:

- To enable the public and corporate bodies to have a good understanding of the efforts made for the advancement of the professional accounting in Myanmar to meet the international standards.
- To make the public become aware of the importance and indispensable requirements for the public and private business enterprises to comply with those international standards.
- To inform the business enterprises of the need to prepare their financial statements, in accordance with IAS and IFRS, showing transparency and accountability.

Moreover, the topics of penal discussions held are: the role of professional accountants from the perspective of Myanmar taxation, challenges and benefits from adoption of International public sector accounting standards, compliance with full IFRS and IFRS for SMEs, proposed amendment to Myanmar Companies Act and Yangon Stock Exchange, etc.



The audience, including MICPA members, and public, attending the Accounting and Auditing Fair



The Auditor-General of the Union, Dr. U Maw Than, Ex-rector, Yangon University of Economics, delivered an opening speech at the A and A Fair.

Daiwa-JICPA Stock Exchange Training Program

Under this program, which is organised by Daiwa and Japanese Institute of Certified Public Accountants (JICPA), a series of workshops has been conducted on Stock Exchange operations by Japanese Instructors for the benefit of MICPA members, according to the terms of the Memorandum of Understanding signed between Daiwa, JICPA and MICPA. Each workshop is attended by 10 members of MICPA selected from among those who have applied to attend it. Out of 10 trainees at least 3 trainees who have scored the highest marks in the test on the completion of each work-shop are selected and sent out to Japan for on-the-job training.

Collaboration with International Professional Organisations

MICPA has all along conducted at least once a month seminars, workshops and forums on a wide range of subjects such as accounting, auditing and other related matters in collaboration with international professional bodies, i.e. ACCA, ICAEW, CIMA, Daiwa, JICPA, GIZ (German Cooperation Agency) etc.. MICPA has already signed MoUs with them. 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), of which U Maw Than, the present Auditor-General of the Union is the Chairman, was formed with the purpose of helping the banks to prepare their financial statements in compliance with IFRS.

Amendment to the Myanmar Companies Act

The Myanmar Companies Act of 1904 is in the process of being amended by an ADB Team with the financial and technical assistance of ADB, in an effort to bring it in line

with the modern trends and conception of similar Acts in other countries. MICPA has been requested to review the new draft law and offer comments on its revised provisions. The MICPA review team headed by Patron U Win Thin has undertaken the task, and the findings on the provisions of the draft Act that are not yet appropriate to the current business environment, especially those that are stacked in favour of foreign companies are sent to the ADB team.

Participation in Activities Undertaken with Local and Foreign Organisations

MICPA has taken an active part in the activities undertaken in close cooperation with local and foreign organisations that are directed toward the development of accounting profession, as shown below:

- Contribution of input to the drafting of the amendment to the MAC Law and of By-laws, Myanmar Investment Law, Union Tax Law, etc.
- Discussions with the ADB and JICA legal consultants on the Insolvency Law Reform Project.
- Participation in a series of workshops on the implementation of IFRS in the banking sector organised by BFRIC and GIZ.
- Meetings with ROSC Steering Committee, chaired by the MICPA Chairman regarding the issue of the World Bank ROSC-Accounting and Auditing Report on Myanmar.

Publication of MICPA Magazine

The MICPA magazine was published quarterly both in Myanmar and English, starting in June 2016. Up until the end of December 2016, three volumes of the magazines have been issued with the purpose of disseminating knowledge of accounting, auditing, professional ethics and other related matters.

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 period under review. They are: 121st, 122nd and 123rd AFA Council meetings, CCS 84 and 85 meetings, ACCA-ASEAN Conference, and FAP International Conference.

Local and Foreign Organisations that Have Held Discussions with MICPA

MICPA has held discussions with the following local and foreign organisations on accounting and other matters. They are: IRD, Securities and Exchange Commission (Myanmar), ACCA, CIMA, CPA (Australia), ICAEW, IFAC, IMF, JICPA, World Bank, ADB, etc.

Position of Members Registered with MICPA

The total number of members of MICPA stood at 1021 as of December 31, 2016. Of them, practicing members are 763 and non-practicing members 268. The registration of members year-wise is presented below:

Membership Status (up to 31.12.2016)

	Non-Practicing Accountants	Practicing Accountants	Total
Men	45	183	228
Women	223	570	793
Total	268	753	1021

Plan to Accept Into MICPA Membership Not Only CPAs but Also Professional Accountants in Business

The plan to accept not only professional accountants in public practice and professional accountants in business but also other accountants into the membership of MICPA is now under consideration, and it will hopefully be implemented in the not distant future by amending the Memorandum of Association (MoA) and Articles of Association (AoA) of MICPA at the Extra-ordinary General Meeting attended by all the members. Under that plan, the members of MICPA shall be classified as follows:

- Student Member – CPA Student
- Affiliate Member – CPA Passed
- Associate Member – Academia
- Fellow Member – CPA full-fledged

Organisation Structure of MICPA

In order to fully discharge the duties prescribed by the new MAC Law for MICPA, the organisation structure of MICPA has been planned to be set up as follows:



PICPA



Continuing Professional Development (CPD)

PICPA holds its national office at 700 Shaw Blvd Mandaluyong, Metro Manila. This is also a venue of CPD for CPAs and other interested parties in Metro Manila, nearby provinces and other parts of the country. Aside from the seminars held at National Office, seminars and training are being held in various chapters and regions all over the country. Starting the year 2017, competence areas which are based on the International Accounting Education Standards (IAES) shall replace thematic areas.

All CPAs regardless of area/sector of practice shall be required to comply with 120 CPD credit units in a compliance period of three (3) years, which the implementation thereof shall be gradual, to start in 2017.

Regulations are now in place requiring accreditation every three years for all CPAs in the public sector and education. For those in commerce and industry, only those employed in covered companies are required accreditation when the CPA is the signatory for the required compilation certificate in line with PSRS 4410. Further, a new law Republic Act 10912 “The Continuing Professional Development Act of 2016” is now in force, requiring CPD units in order for all professionals under the Professional Regulation Commission to renew their licenses.

Quality Assurance Review (QAR)

In line with the thrust of the regulatory Board of Accountancy to fully implement QAR, the Quality Assurance committee (now Voluntary Quality Assurance Committee or VQAR) developed and adopted QAR materials in three (3) Phases:

1. Guide on Quality Control for the Review of Financial Statements
2. General Peer Review Checklist and Adoption of the existing PICPA QAR Manual
3. Assembly of Suggested Audit Programs to individual practitioners and Firms

Accounting and auditing materials are available at the PICPA and have been distributed electronically to all members in good standing.

Since most of the practitioners have some reservation on the confidentiality/encroachment and fees associated with the VQAR, the committee has a facilitated self-diagnostic/

assessment approach for the practitioners to benchmark what they currently do in the audit. This will hit two purposes:

- a. Practitioners will be able to determine if what they do in audit is in accordance with the standards; and
- b. They will be able to understand the VQAR process.

As an update on the case filed against the enforcement of QAR per resolutions 88-2009 and 23-2010 by the Board of Accountancy, in a letter from the Office of the Solicitor General (OSG), the said case had been dismissed by the regional trial court, and the OSG has not received any motion for reconsideration or appeal regarding said dismissal to date. The OSG is the principal law officer and legal defender of the government of the Republic of the Philippines.

Further in the same letter from the OSG, as of to date, no injunctive writ has been filed against Resolution No. 244-2015 Adoption of the Revised Rules and Regulations for the Conduct by the Professional Regulatory Board of Accountancy of Oversight into the Quality of Audits of Financial Statements and Operations of CPA Practitioners. Resolution 244 is a later regulation issued by the Board of Accountancy pertinent to the enforcement of QAR.

Reportorial Requirements

The new auditor’s report has been adopted in the Philippines effective for financial statements on December 15, 2016 and thereafter.

The new and revised auditor reporting standards are as follows:

- PSA 700 (Revised), Forming an Opinion and Reporting on Financial Statements
- PSA 701, Communicating Key Audit Matters in the Independent Auditor’s Report
- PSA 260 (Revised), Communication with Those Charged with Governance
- PSA 570 (Revised), Going Concern
- PSA 705 (Revised), Modifications to the Opinion in the Independent Auditor’s Report
- PSA 706 (Revised), Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor’s Report
- PSA 720 (Revised), The Auditor’s Responsibilities Relating to Other Information.

Other audit-related standards in the Philippines are adopted during the year:

- PSA 610 (Revised 2013) Using the Work of Internal Auditors and Related Conforming Amendments;
- PSAE 3410 Assurance Engagements on Greenhouse Gas Statements;
- PSRS 4410 (Revised) Compilation Engagements; and
- PSRE 2400 (Revised) Engagements to Review Historical Financial Statements.

Accounting standards adopted in 2016, are as follows:

- PFRS 16, Leases
- Disclosure Initiative (Amendments to PAS 7)
- Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to PAS 12)

Ethics

Through the recommendation of the Ethics Committee of PICPA, as endorsed by its Board of Directors to the BOA, the 2013 International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants was officially adopted in the Philippines, in pursuant to BOA Resolution 263-2015. The 2016 edition of the Code of Ethics is slated to be endorsed by Ethics Committee to the PICPA National Board, for approval of the Board of Accountancy.

Good Governance

The Accountancy Profession was conferred and awarded the following three (3) major and distinct awards by the Institute for Solidarity in Asia (ISA) after a Performance Governance System (PGS) Revalida in a Public Forum held last March 29, 2016 at the AIM Conference Center, Makati City, making it the first and only Profession among the 42 Professions in the Philippines, to be awarded the following:

- PGS INSTITUTIONALIZED Award
- GOLD TRAILBLAZER Award
- ISLANDS OF GOOD GOVERNANCE Award



ISA a non-stock, non-profit, non-government organization that advocates good corporate governance reforms and believes in making governance a shared responsibility.

Corporate Social Responsibility

Go Negosyo the advocacy of the Philippine Center for Entrepreneurship (PCE), a non-stock, non-profit organization that advocates entrepreneurship is partnering with the Department of Trade and Industry (DTI) for the **KAPATID program**, an initiative that aims to encourage medium and large corporations to help micro and small enterprises through the use of Inclusive Business (IB) models. The medium and large corporations are Big Brothers and the micro and small enterprises as Small Brothers, thus the term Kapatid (sibling).



As a professional organization, PICPA joined the program as a channel in which CPA volunteers are tapped to mentor small enterprise owners in the areas of accounting, bookkeeping, taxation and other business-related topics. In 2016, six sessions of accounting and taxation were conducted by PICPA volunteer mentors in various cities around the country.

International Affiliations

Mutual Recognition Arrangement

In 2016, the Board of Accountancy, as represented by BoA Chairman Joel Tan-Torres and Hon. Samuel Padilla attended the 3rd ASEAN Chartered Professional Accountants Coordinating Committee (ACPACC) meeting from May 17 to 20, 2016 at Vientiane, Lao PDR, and the 4th ACPACC meeting in Ho Chi Minh City, Vietnam last September 26

to October 1, 2016, as represented by Vice Chairperson Gloria Baysa and Hon. Elis-eoAurellado.

In these meetings, the accountancy representatives of the 10 ASEAN countries continued to discuss the transition implementa-

tion details of the ASEAN MRA. The matters discussed included the establishment of the Monitoring Committees for each country that will spear head the implementation; the ACPACC Rules; the updated List of Regulated Accountancy

Services; the Assessment Statements that each country shall prepare; Final Report of Development of Implementation/Action Plans to Enhance Mobility of ASEAN Professionals on Accountancy Services Project; the ACPACC Rules and Regulations; the setting up of web site, the finalization of the List of Regulated and Non-Regulated Services and, the Philippine recommendation to discuss of fast tracking of activities to enhance mobility of accountants in the region.

PICPA sent its representatives in various international meetings and fora in line with its commitment to be in tune with global standards and issues relevant to the practice of accountancy.

Regular Annual Events

Annual Planning Conference and Induction of Officers

The annual planning conference and induction of new officers were held on the first week of July 2016 at the Shangri-La Ballroom and PICPA House, to orient and train the new set of board of directors, chapter presidents, committee chairs and other officers for the fiscal year 2016-2017.



Accountancy Week Celebrations

The accountancy week celebration is an annual event to commemorate the profession. In 2016, it was held in the third week of July, 2016 at different venues, as well as the PICPA House. Various seminars, fora and events were conducted to bring together CPAs from different sectors.



Annual National Convention

The 71st PICPA Annual National Convention (ANC) was hosted by Davao Chapter in November 23-25, 2016. More than 4,000 participants attended the technical sessions where professional and soft-skill topics were discussed.



ISCA

SINGAPORE

ISCA INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS

ISCA On Track for the Future

In 2016, the Institute embarked on its third transformation phase “Strategic Plan 2016–2018: Intensifying Global Prominence”, taking another step towards our 2020 vision to be a globally recognised professional accountancy body.

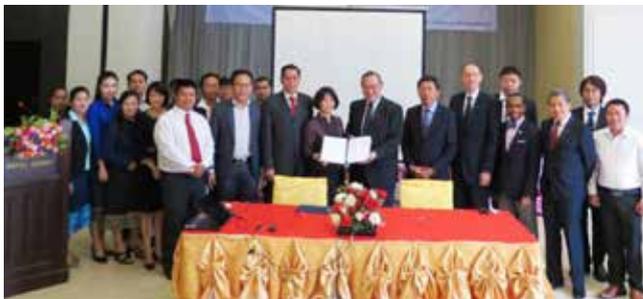
Strengthening ISCA’s Standing Beyond Singapore

Micro Accounting Model

ISCA had successfully completed the development of the Micro Accounting Model (MAM) with inputs from AFA. MAM is an accounting framework catered to the needs of micro, small and medium enterprises (MSMEs), in particular those from developing countries, which are smaller and have simpler business transactions than those of developed countries. Compared to international accounting standards such as the International Financial Reporting Standards (IFRS), MAM is an intuitive framework containing significant simplifications to a number of areas, including accounting for financial instruments. Hence, MAM is a useful tool in helping MSMEs, many of which are preparing financial information on cash accounting basis, transit to accrual accounting. MAM has generated keen interest amongst the developing ASEAN countries. It provides the MSMEs a firm grounding in applying accrual accounting principles and as they grow bigger, they would be capable of making the move towards adopting international accounting standards such as IFRS.

Co-Developing the Accountancy Profession in Laos

ISCA and the Lao Chamber of Professional Accountants and Auditors (LCPAA) signed a Memorandum of Understanding (MoU) on October 24, 2016, to explore opportunities for



Marking the start of a significant collaboration were the ISCA President Gerard Ee, LCPAA President Dr Phirany Phissamay, Deputy Director-General of Accounting Department Chanthasith Senaphanh and Singapore Ambassador to Laos, Dominic Goh, as well as representatives from the two professional accountancy bodies and guests.

ISCA and Laos to co-develop the accountancy profession in Laos through capability-building programmes. This includes areas such as the training of accounting technicians, continuous professional development and exchange of expertise, experiences and best practices between the accountancy firms of Singapore and Laos.

This MoU is a reflection of the true ASEAN spirit as ISCA seeks to actively collaborate with fellow ASEAN member states to narrow the development gap of the profession. With improved professional standards, the accountancy profession would be better placed to support the economic growth of their countries and ASEAN.

UNCTAD-ISAR 33rd Session

For the third consecutive year, ISCA was invited to share its experiences at the United Nations Conference on Trade and Development–International Standards of Accounting and Reporting (UNCTAD-ISAR)’s 33rd session. ISCA President Gerard Ee presented a case study on Singapore’s practical implementation of monitoring, compliance and enforcement of accounting and auditing requirements for high-quality corporate reporting. At the same session, Mr Ee was elected Chair for a one-year term. The role of the Chair is to moderate the discussions at the annual session as well as participate in related activities such as commission meetings, regional workshops and forums that take place during his/her term of office.



ISCA President Gerard Ee chairing the UNCTAD-ISAR 33rd Session.

Creating Platforms for Insightful Conversations

ISCA Pre-Budget Roundtable

ISCA values the contributions of those in the know and has established various platforms to tap on their expertise. The annual ISCA Pre-Budget Survey captured the views of the CA (Singapore) community on how businesses and individuals are responding to the volatile global environment, and their desired government assistance. The survey report was launched in conjunction with the ISCA Pre-Budget Roundtable which brought together distinguished business leaders to discuss topical issues affecting the Singapore Budget. Their insights provided important feedback for policymakers of the Singapore Budget 2016.



The ISCA Pre-Budget Roundtable brought together top management and business leaders of trade bodies, accounting firms and C-suite executives to discuss and provide feedback on the Singapore Budget.

“Our Future Together” Conversation

Further enhancing our presence on a global scale, ISCA collaborated with the Institute of Chartered Accountants in England and Wales (ICAEW) to organise “Our Future Together”, an event that brought together professionals from diverse fields and accountancy undergraduates to



The “Our Future Together” conversation initiated dialogue about the future of accountancy.

discuss the future of accountancy. A report capturing the key insights and perspectives arising from the event was produced, covering issues ranging from new business models arising from disruptive technology to how the role of accountants will change in the future. This report was subsequently shared with Singapore’s Committee on the Future Economy.

Keeping Members Updated

Enhancing Awareness of New Standards

Since the revised auditor reporting standards were issued in July 2015, ISCA had actively reached out to stakeholders through platforms like forums and talks, explaining the changes, implications and impacts. The United Kingdom Financial Reporting Council was also invited to share its experience arising from the enhanced standards. In May 2016, ISCA and ACCA published a report titled “All Aboard the Transparency Express! – The Enhanced Auditor’s Report” on a Roundtable discussion of the standards, bringing greater clarity to members.

ISCA issued three revised auditing and assurance standards in 2016 – SSA 800 (Revised): Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks; SSA 805 (Revised): Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement, and SSA 810 (Revised): Engagements to Report on Summary Financial Statements. SSA 800 (Revised), SSA 805 (Revised) and SSA 810 (Revised) were revised largely to align with the enhanced auditor reporting requirements in SSA 700 (Revised): Forming an Opinion and Reporting on Financial Statements.

The new FRS 116: Leases, effective from 1 January 2019, was also issued this year. As the new standard comes with significant financial implications and implementation challenges especially for companies with many operating leases, ISCA published a series of articles in its journal to address potential issues and grey areas.

2018 will see Singapore adopt the IFRS and two new accounting standards – FRS 115: Revenue from Contracts with Customers and FRS 109: Financial Instruments. To prepare the profession for the changes, ISCA organised a seminar for industry professionals to discuss the key issues and implementation challenges.

Raising the Standard of the Profession

To raise the ethical standards of professional accountants, ISCA has developed the ISCA Ethics Case Files comprising real-life cases of members who had made unethical

decisions and the consequences they faced. It is hoped that these cases will prompt members to make the right decisions when they are faced with ethical dilemmas.

Following the announcement by the Singapore Exchange (SGX) for Singapore-listed companies to publish a sustainability report at least once a year, ISCA embarked on a sustained outreach effort to raise awareness and enhance the quality of sustainability reporting. Over time, this will pave the way for more holistic corporate reporting. As part of the outreach efforts, ISCA organised a forum for Chief Financial Officers (CFOs) and company delegates, conducted technical sessions, published articles and established the Corporate Reporting Committee which works with stakeholders like SGX to promote the practice. The Committee is currently developing an implementation roadmap to guide companies on sustainability reporting.

Singapore Accountancy Convention

The Singapore Accountancy Convention 2016 marked the first time the event was jointly organised by ISCA and the Accounting and Corporate Regulatory Authority (ACRA), with the Singapore Accountancy Commission (SAC) and Accounting Standards Council (ASC) as strategic partners. The Convention attracted more than 900 accounting professionals, business leaders and directors. The event preceded the second biennial Singapore Accountancy Awards Dinner. Hosted by ISCA, the Awards recognised outstanding organisations and individuals in the accountancy sector.



More than 900 participants attended this year's Singapore Accountancy Convention.



ISCA Adviser Teo Ser Luck, ISCA President Gerard Ee and Singapore Accountancy Award winners.

Dedicated initiatives for PAIBs

ISCA has dedicated programmes for members who are professional accountants in business (PAIBs). The ISCA-Singapore CFO Institute (SCFOI) Mentoring Programme was launched to offer CFO aspirants opportunities to learn and gain advice from experienced mentors. Through a structured six-month programme, mentees received unique perspectives on the requisites needed for the next stage of their careers, as well as guidance on business issues and best practices. The inaugural Mentoring Programme brought together 24 experienced mentors and 36 mentees.



Lee Wai Fai, Chairman of ISCA's CFO Committee, giving the welcome address at the CFO Networking session.



ISCA Council Member and mentor Ho Tuck Chuen, sharing key differences among mentoring, managing, counseling and coaching at a meeting between mentors and mentees.

Focusing on SMPs

ISCA's SMP Development provides customised services to our SMP members. With the support of the Charities Unit, we organised the inaugural sharing session to highlight the dos and don'ts of charity audit and some of the common mistakes that may arise.

ISCA's bi-annual SMP Dialogue continues to be a platform for SMP

practitioners to network, discuss topical issues and share best practices.

The Institute supports local firms in their overseas ambitions. A three-day ISCA-Association of Chartered Certified Accountants (ACCA) business study mission to Ho Chi Minh, Vietnam brought together a delegation from 15 SMPs and received the support of SPRING Singapore.

ISCA gathers up-to-date feedback from SMPs so that we can better formulate initiatives and curate relevant events to meet their needs. One of these is our “Technology Adoption Study” report, which provides information about the rate of technology adoption, and productivity gains from the use of technology.

To help SMPs in the areas of quality control and audit, the Institute inaugurated customised training for them in the implementation of the Singapore Standard on Quality Control (SSQC) 1, and also introduced an illustrative Quality Control Manual with policies and procedures based on SSQC 1. In the area of audit, we launched the new ISCA Audit Manual for Standalone Entities, an illustrative guide to help audit professionals understand and apply the Singapore Standards on Auditing.

Supporting Sector Development

ISCA, Institute of Internal Auditors (IIA) and Institute of Internal Auditors, Singapore (IIA Singapore) Establish Accelerated Pathway to Broaden Internal Audit Talent Pipeline

As part of the Institute’s efforts to provide specialised pathways for our members, an accelerated pathway for CA (Singapore) to achieve the Certified Internal Auditor (CIA) designation was announced. CA (Singapore) members who successfully complete the customised examination will gain the globally-accepted CIA certification for auditors as well as membership to the Institute of Internal Auditors.

ISCA-Singapore Human Resources Institute (SHRI) MoU

ISCA and the Singapore Human Resources Institute signed an MoU to collaborate on broadening the skills sets of HR and accounting professionals. Through the partnership, accounting professionals can learn skills in HR development, while HR professionals will be offered training in accountancy. Both organisations intend to achieve greater synergies towards enhancing the standards of the HR and accounting professions through training, skills development, thought leadership and learning platforms. Through these efforts, more career pathways will be opened to our members, making them more versatile.

ACRA Prescribed Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT)

ISCA is collaborating with Chartered Secretaries Institute of Singapore (CSIS) as joint appointed professional bodies to develop a comprehensive set of learning contents and training materials for ACRA’s Prescribed Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) course. ISCA members can look forward to receiving trainings conducted by ISCA and CSIS in the near future.

Profiling Accounting Professionals

ISCA developed a video campaign with the theme “Chartered Accountants add value to businesses”. In the series of videos, six ISCA members shared insights on topics related to the future of accountancy – risk management, data analytics, “Uber”-isation of accountancy, the new lease accounting standard, sustainability reporting, and mergers and acquisitions. An animated video containing key facts about CA (Singapore) members further underscores the leading roles ISCA members undertake in diverse industries across different countries. The campaign seeks to raise the stature of the CA (Singapore) designation, thus enhancing the employability of our members.

The videos are available in the following link: <http://isca.org.sg/become-a-member/about-the-profession/adding-value-to-businesses/>



Six ISCA members featured on video campaign, “Chartered Accountants add value to businesses”, sharing insights of varied topics.

ISCA Cares Education Programme

Launched last November, ISCA Cares is part of our corporate social responsibility efforts for accountants to contribute as a profession towards the betterment of the community. The Education Programme aims to help financially-needy Singapore youths pursuing an accountancy education through a holistic rubric comprising financial assistance, mentorship and internship. Within 10 months of its launch, the first batch of 15 beneficiaries had received their bursaries, totalling \$55,000, under the ISCA Cares Education Programme.

The award ceremony was hosted at the new office of BDO. The beneficiaries and their family members were invited on a tour of the new office premises.



Student beneficiaries and their family members engaging with BDO staff.

FAP



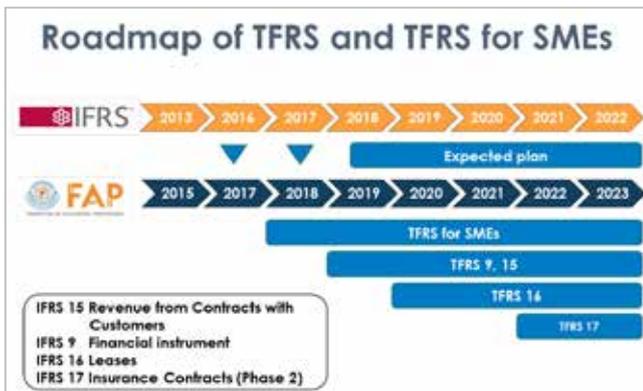
THAILAND



Keeping Members Updates on International Standards

Thai Financial Reporting Standards (TFRS)

Thai Accounting Standards (TAS/TFRS), Interpretation, Guidelines are updated in accordance with IFRS Bound Volume 2016. They are planned to be implemented on January 1, 2017, except for the standards relating to financial instruments. Therefore, the TFRS's effective date will only be 1 year delay from that of IFRS. IFRS for SMEs is in the process of reviewing the effects and setting implementation plan. It is planned to be implemented on January 1, 2018.



Thailand IFRS Conference 2016



FAP, IFRS Foundation and Securities and Exchange Commission, Thailand jointly organised the “Thailand IFRS Conference 2016” to give the overview picture of direction and roadmap of IFRS. There were 300 participants attending this conference.

Thai Auditing Standards

Thai Auditing Standards have been updating according to amendments made by IAASB. The related standards on the new auditor's report were effective for the audits of financial statements for periods beginning on or after December 31, 2016.



The UK Experience on Implementing the Enhanced Auditor Reporting

FAP, SEC and SET jointly host the seminar on “The UK experience on implementing the enhanced auditor reporting”. It was the great opportunity for participants to learn



from Mr Paul George, the executive director, Conduct Division of the UK FRC, on the UK experience in implementing the extended auditor’s report. There were more than 700 participants including CEO, CFO, Audit Committee and auditors of listed companies.

International Education Standards (IES)

IES2 and IES3 (Thai version) were approved by IFAC and published on FAP’s website in September. The translation of the remainders of IES is on an ongoing process, under a supervision of an appointed sub-committee. Moreover, FAP has established a working group to work on learning outcomes in particular to achieve the international standard level and ensure that all IES requirements are incorporated into the FAP education requirements through accreditation process.



Development of accounting education program and update of the accounting and auditing profession

FAP arranged the seminar for lecturers from universities in Thailand about the changing of accredited curriculum



according to IES 2 (revision) published by International Federation of Accountants (IFAC). This new curriculum emphasises on Learning Outcomes – Based.

Code of Ethic

FAP developed and published the summary of Code of Ethics is in accordance with the International Ethics Standard Board for Accountants (IESBA) Code version 2012 to simplify and encourage the proper implementation for both professional accountants and professional auditors on March 9, 2016.

The Establishment of Audit Quality Oversight Subcommittee (AQOS)

AQOS was established in March 2016. It comprises 5 experienced and independent committee. This subcommittee will supervise QA team in audit quality assurance activities including developing a standard QA monitoring guideline and coordinate with other parties in order to strengthening the audit quality in Thailand.

FAP Meets the Press

On December 14, 2016, Mr Prasan Chuaphanich, FAP President, met the press to communicate information about new auditor’s report. This communication would enable all stakeholders to understand the changing of the auditor’s report.



Collaborating with Other Organizations

FAP-LCPAA MoU

FAP signed on MoU with the Lao Chamber of Professional Accountants and Auditors (LCPAA) to extend the cooperation on IFRS and ISA training to assist LCPAA in developing their professional accountancy trainers and other accountants.



FAP – RD – DBD Collaboration on Promoting “Single Set of Financial Statement”

At the beginning of 2016, Revenue Department (RD) announced the new rulings relating to tax incentive and exemption on tax audit for companies that prepare their financial statements properly, or simply referred to as “single set of financial statement”. This is supported by FAP, RD and Development of Business Department (DBD) as it will enhance transparency of Thai companies’ financial statements and promote the economic growth.



FAP-AMLO on APG assessment for FATF recommendation

In coordinating with the Anti-Money Laundering Office (AMLO), FAP involved in the Asia-Pacific Group on Money Laundering (APG) to assess the implementation of Anti-Money Laundering and Combating the Financing Terrorism (AML/CFT) of Thailand since the end of year 2015. Subsequently on November 7, 2016, FAP’s representative,



Mr Sivarak Phinicharomna, Mr Sira Intarakumthornchai and Mr Winid Silamongkol joined the onsite-visit of APG Team to provide informative guidance and practice of professionals regarding FATF recommendation on AML/CFT.

FAP-AMLO on Anti-Money Laundering and Combating the Financing of Terrorism

Being aware of risk and threat from money laundering and financing of terrorism, FAP jointly hosted the seminar on “Challenging of practitioner on Anti-money Laundering and Combating the Financing of Terrorism” on September 24, 2016 to ensure the understanding over AML/CFT and to prevent the professions from associated with criminal. It was the great opportunity for participants to share the experience with Ms Suwanee Sawaengpol, AMLO deputy chief, Mr Sivarak Phinicharomna, FAP’s representative and also FAP’s Ethic committees.



MoU with Chulalongkorn University

On March 7, 2016, FAP has signed a memorandum on cooperation projects with School of Agricultural Resources, Chulalongkorn University. This MoU is to support the School of Agricultural Resources and FAP’s mission which is to develop a new generation of farmers. The objectives are:

- To provide accounting knowledge to farmers on financial reporting, cost accounting and managerial accounting for agriculture as tools in operation and economic competitiveness.



- To support new farmers to form an agricultural group for strengthened bargaining power.
- As a result, the production and management of agriculture will be improved, contributing to a better quality of life for farmers in the future.



Strengthening Thai Professional Accountants

FAP International Conference 2016

FAP International Conference 2016 was held on October 21, 2016. The theme of the Conference was “Digital Economy:



Impact on Accounting Professions”. At the Conference, the participants had learned more about Digital Economy from both International’s and Thailand’s perspective to kept themselves up to date with advances in technology which will directly and indirectly affect the work of professionals. This will enable professionals to get ready for the evolution and changes in order to be able to contribute to national economic growth. Speakers included honorable guests from professional bodies in ASEAN as well as reputable Thai professionals.

Internal Auditing Certificate Program/IACP

Training course for 14th and 15th batch of Internal Auditing Certificate Program (IACP) was held during the year 2016 to provide both theoretical and practical knowledge for participants to become the expert internal auditor. The program included classroom lecture and a test. Those who pass the test will receive a certificate.



CIA Review Part 1 and Part 2

The course was held during the year as a preparation course for CIA (Certified Internal Auditors) candidates. This course explained the concepts behind the topics covered in the CIA exam and analysis of questions in the CIA Exam.



The Panel Discussion about internal Audit

The panel discussion on topic “Internal Audit Challenge in Value Adding”, held on March 16, 2016, was attended by 250 participants. The event provided a great opportunity for participants to discuss and share their opinion, expectation, problems or experiences that they have encountered in their work with a number of proficient speakers participated in the forum.



Thailand Accounting Challenge 2016

The 4th Thailand Accounting Challenge (TAC) completed successfully on January 23, 2016 which was joined by over



450 undergraduate students in accounting program from 81 universities from all over the country. FAP will continually organise this activity so that the accounting students can perform their competence with challenging questions in six areas – financial accounting, cost accounting and managerial accounting, auditing, taxation, accounting information systems, and professional ethics.

Self-Study Continuing Professional Development

The project is an alternative way for continuing development of the certified public accountants (CPAs) and accountants. Moreover, it is to promote self-directed learning to maintain the professionalism of accountant.



Diploma in Thai Financial Reporting

This program was held to test understanding of Thai Financial Reporting Standards of Publicly Accountable Entities (PAEs), to certify and to build acceptance in accountants from other agencies. The diploma will be given to those who pass the test. It was held 7 times with 67 candidates during for 2016.



Learn & Test for CPD

This project is a new alternative way for professionals to develop themselves and earn Continuing Professional



Development (CPD) hours. In 2016, the topic was about Thai Financial Reporting Standards for Non-Publicly Accountable Entities: TFRS for NPAEs

Continuing Professional Development (CPD)

Increase CPD Hours of Thai Auditor to International Standard

On July 2, 2016, FAP Annual General Meeting approved the Criteria and Procedure of Acknowledgement in Training and Joining Seminar of CPAs Regulation. This regulation increases the number of CPD hours of auditor from 18 hours per year to 40 hours per year which comprises 20 hours of verifiable and 20 hours of non-verifiable CPD. It will be effective in 2017.

Highlighting CPD Courses

1. 10 Commandments for Accountants in AEC
2. Integrated Reporting
3. Access to Key Financial Reporting Standards and Understanding of the Auditor's Report
4. Integrated Audit (Purchasing and Account Payable Systems/Selling and Account Receivable Systems)
5. IT Audit for Non IT Auditors

6. Using Microsoft Excel as Audit Tool
7. Data Analytics for Internal Auditor
8. Business Strategy Review for Internal Auditors
9. International Control Framework for Internal Auditors as Business Consultants
10. Internal Control Guideline for IPO Company



VAA



Scientific Consult and Social Criticism:

- To be involved in giving ideas on the law draft and financial strategy such as Association Law, State Assets Management and Use Law, General Accounting Project, State Budget and Government Loan Restructure Project, Vietnamese Finance Market Development Project in the coming time stage of participating the TPP, AEC, the Degrees of the Government such as the detail guidance of Accounting Law, Internal Audit, Finance Statement Establish, Enterprise Law etc. the policy draft on tax such as VAT, Enterprise Income Tax, Individual Income Tax and other policy.
- To organise national academic workshop on the Vietnamese Accounting Reform in the last 20 years.
- To coordinate with the International Organisations (ACCA, ICAEW, CPAA, CIMA) to organise the academic seminars with the namely: the Role of Finance in the Business Administration; Internal Audit – the experiences of International and the Facts of Vietnam; Management Accounting, Direction and Roadmap to apply the IFRS in Vietnam; Renewing the accounting training contents at the universities with commitment to TPP and AEC.
- To spread and guideline accounting law, enterprise law, social insurance law, heal care law, and new policies on tax law, commercial agreement on AEC, TPP.

- To summary accounting practical management in 2015, to do plan for accounting practical management in 2016.



Training and Development Activities:

VAA has organised 56 training courses for over 3,000 individual members with the subject: SMEs Business Administration, Start-up Training, Information Updated on Tax, accounting law, enterprise law, labour law, social insurance law, accounting and auditing ethics profession, training for CPA exam takers, training and giving certificate for chief of accountant, internal audit training.



Practical Management Issue:

- To review 116 organisations and 273 individuals who have fully conditions to do accounting services in 2016.
- To audit accounting service quality at 18 accounting service companies.

Activities of National Club of Chief Accountant

To organise 45th and 46th seminars of the national of chief accountant with 550 participants per the seminar. The club strengthened and developed memberships over the coun-



try, to keep contact and meet with the management board of the club.

Information and Propagation

- To publish 12 issues on accounting and auditing review with 30,000 ones in 2016.
- To organise the meeting for the first accounting and auditing review during the last 20 years.
- To publish 4 national and international academy reports with namely: Vietnamese Accounting and Auditing: 20 years to reform and integration; management accounting: International Experiences and the Facts of Vietnam; Renew and upgrading accounting and auditing training quality; IFRS – the Chance and Challenge to apply in Vietnam.
- To retain two websites: vaa.net.vn and facebook.com/hoiketoankiemtoanvaa.vn.



Foreign Activities and Other Activities:

- To participate AFA meetings 121 in Laos, 122 in Singapore, and 123 in Bangkok, Thailand.
- To cooperate with ACCA, CPA Australia, CIMA, and ICEAW: meetings, seminars, workshops, information sharing and preparation for cooperation programs in 2017.

CPA AUSTRALIA



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 the 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

Regional Technical Session: *Audit Quality - An Analysis of Global Regulatory Findings*

Held on June 16, a regional technical session titled 'Audit quality – an analysis of global regulatory findings' was organised by CPA Australia and the ASEAN Federation of Accountants (AFA), with 40 attendees from national bodies in Singapore, Malaysia, Thailand Brunei, Myanmar, Philippines and Laos.

The session provided an opportunity to address the inspection findings by audit regulators under the International Forum of Independent Audit Regulators (IFIAR). A panel discussion on audit quality initiatives and what the future holds for the audit profession was chaired by Ram Subramanian, Policy Adviser of CPA Australia.

The CFO Connect Symposium, held on July 15, was co-organised by the Singapore CFO Institute (SCFOI) and CPA Australia, with an attendance of more than 200 Chief Financial Officers, including the region's brightest minds in finance.

The program featured research presentations and panel discussions, as well as a one-on-one interview with Guest of Honour, Chaly Mah, Co-Chair, Working Group on Legal & Accounting Services, Committee on the Future Economy [CFE] and Chairman, Singapore Accountancy Commission.

The presentation and panel discussion topics focused on a CFO's perspective on the future economy and the future of transactions and workforce.



MALAYSIA

Celebrating 60 Years in Malaysia

2016 marked the 60th anniversary of CPA Australia's formal presence in Malaysia. Since its inception in 1956, CPA Australia has made significant contributions to the development of the Malaysian accounting profession. This was aptly captured in the theme for the anniversary, 'Celebrating the past, influencing the future', with activities relating to the anniversary centred around our members.



Several awards were presented in conjunction with the anniversary including the long standing award and the

Divisional President's Award. Ho Foong Moi, former Chief Executive Officer of the Malaysian Institute of Accountants (MIA) was one of the ten recipients of the Divisional President's Award.

ASEAN Regional SMP Conference 2016

In October 2016, CPA Australia with the support of the ASEAN Federation of Accountants (AFA) held its first ASEAN Regional Small and Medium Practices (SMP) Conference in Bangkok, Thailand that served as a platform for SMPs across the region to network and potentially form linkages with other ASEAN-based accounting practices.

With topics covering the ASEAN Economic Community, client solutions, and technology options, the conference, which attracted 60 participants from across the region, provided insights for SMPs to equip themselves for opportunities that will arise from the region.



VIETNAM

Interviews with VTV1 – Establishment of AEC and Resource Challenges for Vietnam Accounting Industry



On January 13 and 14, Vietnam Television Channel 1 (VTV1) conducted a series of news segments that highlighted the challenges faced by accounting and auditing professionals following the establishment of the ASEAN Economic Community in 2016.

Huong Tran, Chief Representative of CPA Australia in Vietnam provided her views and emphasised the need to achieve regional and global recognition in order to capitalise on the many opportunities that will arise from the development.

CPA Australia and HNX Co-hosted Seminar on Corporate Financial Management

CPA Australia and the Hanoi Stock Exchange (HNX) co-hosted its inaugural CFO seminar entitled 'Corporate Financial Management: New Challenges and Opportunities' on October 25. The event saw more than 100 top management participants and a prestigious line-up of speakers including Adam Awty, Chief Operating Officer of CPA Australia, Nguyen Vu Quang Trung, Executive Director and Deputy CEO of HNX, Dr Can Van Luc, Senior Advisor to Chairman, SEVP of Bank for Investment and Development of Vietnam JSC. (BIDV), Director of BIDV Training School, and Dr. Tran Vinh Du, Partner, EY Vietnam.



INDONESIA

Engagement with the Audit Board of the Republic of Indonesia

CPA Australia and the Audit Board of the Republic of Indonesia conducted a joint seminar with the Australian National Audit Office in Jakarta on March 31, which provided an opportunity for attendees to learn more about the audit practice in Australia and Indonesia.

The seminar featured Grant Hehir the Auditor General of the Australian National Audit Office (ANAO) along with CPA Australia policy advisor, Dr John Purcell and Dr Agus Joko Pramono, from the Audit Board of the Republic of Indonesia (BPK RI).

4th Regional Public Sector Conference

CPA Australia supported the 4th Regional Public Sector Conference (RPSC), organised by The Institute of Indonesia Chartered Accountants (IAI) on December 8, in Bandung West Java. Up to 1,000 participants gathered at the event for networking and knowledge building purposes.



Mark Hucklesby, National Technical Director of Grant Thornton New Zealand represented CPA Australia as a speaker in a panel session on “The Implementation of Accrual Accounting in the Public Sector – New Zealand’s Experience”.

LAOS

Cooperation Agreement with LCPAA

CPA Australia signed a Cooperation Agreement with the Laos Chamber of Professional Accountants and Auditors (LCPAA) which significantly marked both organisations’ mutual commitments to continue strengthening the professional and educational standards in the country.



The signing ceremony was held in conjunction with the International Experience Sharing Session on IFRS Implementation held on 6 December in Vientiane.

CAMBODIA

Cooperation Agreement with KICPAA and NAC

CPA Australia signed a Cooperation Agreement with Kampuchea Institute of Certified Accountants and Auditors (KICPAA) and the National Accounting Council (NAC), Ministry of Economy and Finance on 8 December in Phnom Penh.



More than 200 attended the signing ceremony including the Australian Ambassador to the Kingdom of Cambodia, Angela Corcoran. The agreement aimed to create favourable conditions for all parties to work together to promote the development of the accounting and auditing profession in the country.

PHILIPPINES

Special Session at the Philippines Accountancy Week Conference

In July 2016, Peter Docherty, General Manager of Public Practice, CPA Australia presented a session at the Philippines Accountancy Week Conference which examined the future of public practice. He also participated in a panel discussion on expanding services and reach across the industry.

CAANZ



AUSTRALIA



NEW ZEALAND



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

In 2016 Chartered Accountants Australia and New Zealand has over 117,000 diverse, talented and financially astute members who utilise their skills every day to make a difference for businesses the world over. Members are known for their professional integrity, principled judgment, financial discipline and a forward-looking approach to business which contributes to the prosperity of our nations.

In 2016 we continued to focus on the education and life-long learning of our members, and engage in advocacy and thought leadership in areas of public interest that impact the economy and domestic and international markets, including engaging with Asia.

Engagement with Asia

We continued to engage members in Asia with many events held across 2016 and provided unique global insight for Asia throughout our publication channels.

Interest from our members strengthened with our newsletter *Asia Insight*. We continued to provide CA ANZ members with unique insight from Asia, Australia and New Zealand about critical business and member issues relevant to them including insights from members working in Asia.



The 2016 February edition of our business magazine *acuity* focuses on upcoming business prospects in Asia with leadership insights from the leaders covering innovation and diversity respectively. It also shines the spotlight on the Trans Pacific Partnership, asking how it might impact businesses.

Thought Leadership

Many events were held across Asia in 2016, from updates on broad business issues to upcoming trends in the industry. Key experts from various industries and companies joined us in discussing topics critical to the future of the profession.

In April we held a roadshow for our publication *Will Technology Disrupt Our Existing and Future Infrastructure?* in Hong Kong, Singapore and Kuala Lumpur. Our panel discussed the role and potential of technological disruption and what role it held for Asia and developing countries. These events garnered interest from various media outlets.

THE BUSINESS TIMES



Bloomberg
TV MALAYSIA



- Mr. White said that there is a clear example of good business sense being exercised by robust financial agencies.
- The panel that reported about a TPP regulator body for SMEs is a significant development, as it will lead to SMEs to generate economic growth.
- The challenge, however, is reconciling varying expectations and needs from all stakeholders in the region.
- Mr. White also stated that the TPP has a role to play in facilitating the entry of SMEs into international markets through technology transfer.
- He called for member entities to ensure the TPP's success in the medium to long term, instead of being cautious over short-term challenges.
- He also stated about a good panel that will emerge during the executive session, which is a mix of both global and national country's strategies once the deal is signed.

A joint breakfast panel event was held in August 2016 with Aust-Cham Singapore on the CA ANZ **future** [inc] publication “The Future of Work”. The panel was moderated by Rob Ward, CAANZ’s Head of Leadership & Advocacy. The panellists



at this event were: Mohit Mehrotra, Strategy Consulting Leader, SEA, Deloitte & Touche LLP, Karen Cariss, CEO, PageUpPeople, Steve Wyatt, Executive Director, SMU – Executive Development. Mega-trends such as globalisation and digital disruption were discussed as factors that would affect policy, social and economic environment in the coming decades. In Malaysia we collaborated on the same topic with the Malaysian New Zealand Chamber of Commerce. The panel was again moderated by Rob Ward and featured Dato’ Zahir Zahur, CEO, Prasarana Intergrated Development, Andrew Goodwin, Director, Datacom, and Paul Coplestone, CTO, Servishero. The discussion covered many topics including the impact of technology and automation on future job requirements.

how the industry can successfully manage processes and behaviours to improve ethical standards.



In August we also hosted a series of events as part of our Academic Leadership Series on the relevance of Professional Associations in 2026.



In September 2016 we again visited Hong Kong, Singapore and Kuala Lumpur with another Future Inc topic, A Question of Ethics – Navigating Ethical Failure in the

Banking and Financial Services Industry. Speakers included senior representatives from the financial services industry, regulators, stock exchanges and subject matter experts in the field of business ethics. Conversations focused on



Collaboration

CA ANZ signed an agreement with the Malaysian Institute of Accountants (MIA) to allow MIA members access to the CA ANZ online Professional Scepticism education module.

Strategic Alliance

In June 2016 Chartered Accountants Australia and New Zealand announced a strategic Alliance with the Association of Chartered Certified Accountants (ACCA).

Our strategic alliance with ACCA marks initial steps in a valuable long-term relationship. Together we will explore opportunities to advance public value, drive efficiency and better promote and support our members.

Since creating our new organisation we have achieved a number of benefits for our members, including access to events and CPD learning. As part of the continual need to sustain and grow the membership we also promised our members we would explore further opportunities as they arise to take a leadership position in consolidating the accounting profession.



ACCA



Think Ahead ACCA

Ireland's Brian McEnergy FCCA Elected Global President of ACCA

Brian McEnergy became the elected President of the ACCA, representing its 188,000 members around the world. Brian was elected to Council in 2006 and has been active on a number of ACCA's standing committees, with a focus on Governance, where he was chair of Governance Committee, Chair of the Governance Design Task Force and then Chair of the newly formed Governance Design Committee.

ACCA-X wins Grand Prix at the Education Investor Awards 2016

ACCA's innovative online learning programme, ACCA-X has won the Exporting Excellence in Education Provision Award, announced at the Education Investor Award ceremony held in London. Available anytime online and providing an exceptional learning experience, the courses are increasing employability and educational opportunities in accountancy, business and finance.

ACCA and CAANZ Agree Landmark Strategic Alliance

ACCA and CA ANZ have announced a strategic alliance which will add value to members locally and globally. The Alliance brings together the resources of the largest global



professional accountancy body with one of the world's pre-eminent CA bodies, enabling both organisations to strengthen their reach, relevance and resources. By sharing expertise across geographies and sectors the Alliance will ultimately create a stronger voice on behalf of its 788,000 current and next generation professional accountants.

Research & Insights Updates

Professional Accountants – the Future: Drivers of Change and Future Skills

The report is presented in two sections, firstly the drivers of change that will have the most impact, and secondly the future skills required of professional accountants to respond to those changes.

While many factors will drive significant changes to the accountancy profession, the research showed they fall into four broad themes:

- Regulation and governance
- Digital technologies
- Expectations
- Globalisation

The report examines the changes specific to six technical areas of accountancy and then presents seven 'professional quotients' accountants will need to adopt in



response to change:

- Technical and ethical (TEQ)
- Intelligence (IQ)
- Creative intelligence (CQ)
- Digital (DQ)
- Emotional intelligence (EQ)
- Vision (VQ)
- Experience (XQ)

ACCA presented the research findings in several events across ASEAN including, Singapore, Malaysia, Indonesia, Vietnam, Myanmar, Thailand and Cambodia. Find out

more about the research here <http://future.accaglobal.com/the-future-of-accountancy>

Education Updates

ACCA Qualification – the future: A leading qualification for a changing world

Our global research programme, Professional accountants – the future provides insight into the future of professional accountancy and, alongside feedback from ACCA educational experts, helps us to evolve the qualification to be fit for the future. On 10th October, ACCA announced the latest developments to the ACCA qualification – namely, the new Strategic Professional level and the new Ethics and Professional Skills module.

The new Strategic Professional level exams will replace the existing Professional level exams in September 2018 and a new Ethics and Professional Skills module will be introduced in October 2017. Full information about the updates can be found here www.accaglobal.com/thefuture

Country Reports

BRUNEI DARUSSALAM

ACCA joins Universiti Brunei Darussalam at CoNECT Career Fair 2016

ACCA participated at the prestigious UBD CoNECT Career Fair 2016 in Brunei. ACCA’s ALP, BICPA – FTMS set up booths, and promoted ACCA qualifications to students and visitors from UBD and other higher education institutions, and shared how ACCA can enhance their international career prospect.

CAMBODIA

ACCA Supporting Development and Implementation of CIFRS in Cambodia

ACCA organised a workshop on the issue of the implementation of CIFRS for SMEs in Cambodia, presided by H.E Ngy Tayi, Secretary of State and Chairman of National Accounting Council. More than 350 participants attended to discuss CIFRS application, and challenges on the road to convergence for SMEs.

ACCA and Young Entrepreneur Association of Cambodia co-host Taxation Workshop

ACCA and YEAC jointly organised a workshop on accounting and taxation. More than 200 participants attended discussing the current taxation scheme and challenges to businesses. Speakers at the workshop were ACCA member from KICPAA, PCG Partner Ltd, and AIA International.

INDONESIA

ACCA and IAPI Signed Strategic Partnership Agreement

ACCA and IAPI signed an agreement to strengthen collaboration. IAPI and ACCA agree to collaborate on events and marketing activities to promote professional qualifications to employers and public accounting firms, raise awareness and brand reputation, and create more opportunity for accounting professionals.



ACCA won South East Asia Prosperity Fund Project

ACCA won the FCO South East Asia Prosperity Fund from British Embassy. Through ACCA and its learning partners, the UK Government will provide scholarships to

Indonesia government officials to pursue ACCA's Diploma in Accounting & Business and Certificate in IPSAS.



MALAYSIA

ACCA Holds President's Debate on Challenges Ahead of AEC

ACCA hosted the first ever ACCA President's debate held outside of the European Union (EU) in Kuala Lumpur. ACCA President Datuk Alexandra Chin said the organisation was delighted that Malaysia hosted this year's debate, held to better understand the similarities and differences between the European Union (EU) and ASEAN.

ACCA Co-hosted IAASB Roundtable

ACCA co-hosted IAASB – with MIA in a roundtable to deliberate on its Invitation to Comment (ITC), which outlines public interest issues the IAASB believes should be addressed as a matter of priority and sets out the identified issues, describes related IAASB discussions and provides potential standard-setting activities that could enhance audit quality in the context of the topics of professional scepticism, quality control and group audits.



MIA-ACCA report sheds light on IR in Malaysia

ACCA in partnership with MIA launched the first Integrated Reporting (<IR>) Survey. The MIA-ACCA Integrated Reporting Survey found strong interest in IR as a better tool for corporate reporting but successful adoption will require strong leadership from top management and support at all levels.

Survey is available here http://www.accaglobal.com/content/dam/ACCA_National/my/dis/MIA-ACCA-IR-survey-report_2016.pdf.pdf



MYANMAR

ACCA and MICPA Working Towards “The Future of Audit”

ACCA and MICPA co-organised a seminar on “The Future of Audit”. U Kyaw Tin-Chairman of MICPA, Dr Tin Latt FCCA-EC member of MICPA, Daw Kim Chaw Su-Group CFO of KBZ Group and Mr. George Joseph-Chief Financial Officer of Pun Hlaing Siloam Hospitals attended the event as Panellists and shared valuable knowledge and experience.

ACCA Vice President and Council Members Visit to Myanmar

ACCA Vice President Leo Lee, Council members Mark Millar and Jenny Gu, and Executive Director Alan Hatfield visited Myanmar to further strengthen our partnership with key stakeholders. Vice President and Council members met with MICPA Chairman and MICPA members, regulatory agencies and Approved Learning Partners to support the development of the accounting profession in Myanmar.

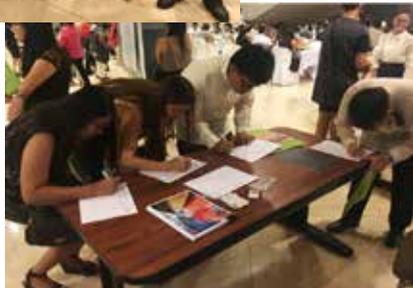
PHILIPPINES

ACCA a Proud Sponsor at PICPA Annual National Convention

ACCA participated as a gold sponsor at the PICPA Annual National Convention. The 71st ANC was a major event of PICPA and attracted over 5,000 delegates. ACCA is very pleased to be able to support PICPA and the opportunity to interact with accounting professionals in the Philippines.

ACCA Joins BoA at Oath Taking Ceremony

ACCA participated in the BoA Oath Taking ceremony. About 3,000 CPA passers attended the event. ACCA shared information about the qualification, and how ACCA will be able to further support CPA passers in their career and professional development.



SINGAPORE

ACCA ASEAN Conference

ACCA held its largest scale annual conference till date with the ACCA ASEAN Conference 2016 on 17 June. Adopting a forward-thinking theme of “Transforming the Face of Accounting and Finance Talent,” the event was attended by 500 delegates from all around the globe. Gracing the event as Guest of Honour was Senior Minister of State for Law and Finance, Ms Indranee Rajah.

THAILAND

ACCA Addresses Trends Impacting Accounting Professions in Thailand

ACCA participated in the International Conference organised by FAP. Delegates heard from prominent ACCA speakers including Ms. Faye Chua, ACCA’s Head of Future Research and Mr. Sanwal Agrawal, FCCA. Ms. Faye Chua provided a comprehensive overview on ACCA’s Professional Accountant the future.

VIETNAM

ACCA Supports Vietnam to Realise IFRS Adoption Roll-out

MOF, VAA and ACCA co-organised IFRS events in Ho Chi Minh City and Hanoi respectively. The events attracted over 600 participants from listed companies, MNCs, public practices, universities, professional bodies to discuss the direction and roadmap for the adoption of IFRS in Vietnam.





ICAEW



ICAEW Becomes the First Non-legal Body in the UK to Regulate Probate Services and Grant Alternative Business Structure Licences

ICAEW is now an approved regulator and licensing authority for probate services in the UK. This allows ICAEW Chartered Accountants to be accredited to offer probate services to consumers. There is also the opportunity for ICAEW firms to set up alternative business structures.

ICAEW and PwC launched a New IPSAS Certificate for Public Sector Accountants

In March ICAEW and PwC launched their IPSAS Certificate, which provides a high quality, flexible and accessible certified learning programme for public sector accountants. The ICAEW IPSAS Certificate, developed in collaboration with PwC, provides accountants with a content-rich e-learning certified programme for all stages of the implementation process and beyond. The programme is open to anyone who works in the sector and wants to enhance their skills.

Launch of the Natural Capital Protocol

ICAEW, a founder of the *Natural Capital Coalition*, hosted the launch of the Natural Capital Protocol, a standardised framework designed to generate trusted, credible and actionable information for factoring matters on natural capital into organisations' decision making.

ICAEW Hosts G20 Roundtable

Senior diplomats from China, Germany, Saudi Arabia and Australia joined UK policy makers and business leaders to consider key international policy challenges, looking at ways of bridging the infrastructure gap, implementing international tax reform and encouraging SME growth.

Chartered Accountants Worldwide Welcomes New Members

As a founding member of Chartered Accountants Worldwide (CAW), ICAEW is delighted to welcome the second ASEAN chartered accountancy body, The Institute of Indonesian Chartered Accountants (IAI), as a new member along with the accountancy bodies ICAI, ICAP and ZICA in India Pakistan and Zambia.

<http://www.icaew.com/en/about-icaew/who-we-are/who-we-work-with/accountancy-bodies/chartered-accountants-worldwide>

Inaugural Chartered Accountants Worldwide Members Events in South East Asia

ICAEW hosted its first events in Ho Chi Minh City and in Hanoi for Chartered Accountants Worldwide members in the presence of Lord David Puttnam. Further events were hosted by ICAEW in Bangkok, Kuala Lumpur, Singapore and Yangon. These initiatives have brought together chartered accountants and business leaders from various industries to connect and share local business knowledge to focus on building a world of stronger economies.



ICAEW International Thought Leadership Roadshow in South East Asia

A series of roadshows were held in Indonesia, Malaysia, Myanmar, Singapore and Vietnam. ICAEW experts from its various faculties engaged members, stakeholders and government bodies on diverse topics from digital risks and cybersecurity, global goals for sustainable development and CFO's role of tomorrow.

ICAEW 2016 Economic Insight: South East Asia

A quarterly forecast that focuses on the major ASEAN economies and highlights challenges ahead for South



East Asia economies, a report prepared in partnership with Oxford Economics. The reports of the 4 quarters in 2016 were presented and discussed by leading industry professionals, regulators and ICAEW members in Indonesia, Malaysia, Singapore and Vietnam.

<http://www.icaew.com/en/technical/economy/economic-insight/economic-insight-south-east-asia>

ICAEW and Ikatan Akuntan Indonesia (IAI) Launched Dual Scholarships

ICAEW and IAI jointly launched the University Scholarship Scheme in February. A collaborative effort to develop and raise the standard and quality of the accountancy profession in Indonesia.



ICAEW Opens its Second Office in Vietnam in Ho Chi Minh City

On 1 April, the ICAEW office in Ho Chi Minh City was officially opened to manage the growing business and also to provide greater support to our strategic partners and members.

MoU Signing with State Audit Office of Vietnam

The State Audit Office is now licensed to use ICAEW materials translated into Vietnamese as part of its training of its staff. In addition, ICAEW also received funding from UKTI to support the training of 100 seniors officers at The Ministry of Finance and State Securities Commission in Vietnam for the ICAEW IFRS certification.



The Financial Reform for Economic Development in Asia – Public Sector Forum 2016 in Malaysia

Ross Campbell, ICAEW Director of Public Sector, spoke at the Financial Reform for Economic Development in Asia – Public Sector Forum 2016 about the latest developments in Public Financial Management. The panel was moderated by Jennifer Thomson, World Bank's Director of Operations Policy and Country Services, and discussed how governance in the public sector has advanced in recent times and what more can be done.



Bank Negara Malaysia, an ICAEW Authorised Training Employer

ICAEW is delighted to have the Bank Negara Malaysia on board as a new Authorised Training Employer in Malaysia.

'The EU Referendum' Discussion in Singapore

The event saw keen discussion between members, guests and the panellists ahead of the Brexit vote. Chaired by ICAEW Past President, Andrew Ratcliffe, the panel members were The Ambassador at the Delegation of the European Union, the Director at the European Union Centre and the Director/Economist at CIMB Private Banking.



ICAEW Signs MoU with the National Trades Union Congress (NTUC), Singapore

The beginning of a close collaboration to develop programmes that will enhance the quality of accounting and



finance professions in Singapore in support of the Skills-Future scheme. Following the MoU signing, ICAEW met with Minister Mr Chan Chun Sing (Secretary General, NTUC UA), Mr Vivek Kumar (Director, NTUC UA) to discuss the development of joint programmes between the two organisations.

The Partner in Learning Conference and ICAEW CFAB Workshop 2016

This year close to 300 delegates representing leading universities and education institutions in the region, representatives from national bodies in the region and ICAEW members attended the event, held in Kuala Lumpur. The three-day conference fosters partnerships and builds a strong academic network in South East Asia with our partners in learning and higher education partners.

MICPA**Launch Of Accounting Technician**

MICPA held its official launch of the Accounting Technician membership class on July 19, 2016. This new designation is open to Diploma in Accounting holders from accredited institutions of higher learning. Held in conjunction with a conference organized especially for Diploma in Accounting Students entitled “A Future You Can Count On”, there were close to 200 students and lecturers from various Polytechnics and Universiti Teknologi MARA (UiTM) campuses nationwide present to witness the launch. Also in attendance were representatives from Jabatan Pendidikan Politeknik (JPP), UiTM, MICPA-Approved Training Employers, and MICPA Council members.

**Technical Updates****Bursa Malaysia CG Breakfast Series for Directors**

Following the issuance of the new standards on Auditor Reporting by the IAASB in 2015, the Institute formed a joint working group with the Malaysian Institute of Accountants (MIA) to address the implementation of and transition to the new standards. The MICPA-MIA Joint Working Group had actively engaged with various stakeholders especially the regulators which included the Audit Oversight Board, Bursa Malaysia and Bank Negara Malaysia. As a result, Bursa Malaysia in collaboration with the MICPA-MIA Joint Working Group had held a number of sessions of Bursa’s Corporate Governance Breakfast Series for Directors on Future of Auditor Reporting – The Game Changer for Boardrooms in 2015 with another two sessions in the first half of 2016.

FIDE Forum Session for Directors

The MICPA-MIA Joint Working Group also collaborated with the FIDE Forum to organise a session on January 20, 2016 specifically for the financial services sector titled The New and Revised Auditor Reporting Standards: Implications to Financial Institutions.

Corporate Practice Consultative Forum (CPCF) Sub-Committees

The Institute attended Sub-Committees meetings as well as provided on-going input to the Companies Commission of Malaysia (CCM) for consideration in developing new circulars, practice notes and other related guidance which include relevant regulations, laws and guidelines to determine best practices in its capacity as members of the Insolvency Practice Sub-Committee, Secretarial Practice Sub-Committee and Accounting and Audit Sub-Committee established by the CCM, in anticipation of the challenges ahead of the new Companies Act 2016 coming into force.

Insolvency Conference 2016

The Institute together with the Insolvency Practitioners Association of Malaysia jointly organised an Insolvency Conference 2016 on May 26, 2016. The Conference which focuses on regulatory reforms is aimed to alert insolvency practitioners to the salient changes of the Companies Bill 2015 relating to corporate insolvency with the introduction of new corporate rescue mechanisms, amongst others.

CAANZ-MICPA Audit Forum 2016

MICPA and Chartered Accountants Australia and New Zealand (CAANZ) held the annual jointly-organised CAANZ-MICPA Audit Forum at Sime Darby Convention Centre on



October 18, 2016. This year’s Audit Forum explained how data analytics applies to financial statement audits and why it could represent a game changer in how audits are conducted, and was aptly entitled “Transforming Audit through Big Data and Analysis”.

MICPA-CAANZ Programme Scholarships

The Institute worked closely with Yayasan Pendidikan Peneraju Bumiputera (YPPB) and Talent Corporation Malaysia Berhad (TalentCorp) in the upskilling of accountants in Malaysia through the offering of scholarships funded by the government. These scholarships are aimed at getting deserving candidates started on their professional accounting journey by funding their examination fees to pursue the MICPA-CAANZ Programme, the joint Programme offered by both MICPA and CAANZ.



The YPPB scholarship saw an exciting new hybrid offering allowing 20 fresh graduates the opportunity to undertake 2 out of 5 modules of the Programme full-time, with the remaining 3 modules to be completed part-time during employment.

The TalentCorp scholarship gives undergraduates the opportunity to get a headstart in the Programme by sponsoring 2 modules during their final year of university. The Institute then facilitates their employment upon graduation to ensure they are able to continue the remaining 3 modules under supervised training and mentorship. 200 scholarships were awarded during the year.

Memorandum of Agreement (MoA) With Universities

In its continued commitment to advance the accounting profession in Malaysia, MICPA signed a Memorandum of Agreement (MoA) with Universiti Tunku Abdul Rahman (UTAR) in November 2016. The MoA aims to develop accounting-related educational programmes while promoting institutional exchanges through intellectual discourse and knowledge sessions between both parties to help develop academia, training and student development.

Event Highlights

Some key corporate events that MICPA has developed and contributed towards include MICPA’s 58th Annual Dinner, MICPA Excellence Awards and the National Annual Corporate Report Awards (NACRA) 2016.

MICPA 58th Annual Dinner

The Institute celebrated its 58th anniversary at its Annual Dinner held on August 12, 2016 at Grand Hyatt Kuala Lumpur. The dinner was graced by the newly appointed Group Chairman of PNB, YBhg. Tan Sri Dato’ Sri Abdul Wahid Bin Omar. At the dinner, the Institute paid tribute to its most senior Life Member – Tan Sri Lim Leong Seng. Tan Sri has been a member of the Institute for 45 years & celebrated his 100th birthday in September 2016. Tan Sri was the first Malaysian Comptroller General for what is now known as the Inland Revenue Board. It was a significant appointment because up to that point, the post of Comptroller General was held by expatriate Income Tax officers from Great Britain or Australia. Tan Sri earned two Papal Awards for his contribution to the Catholic Church including the Knight Commander of the Order of St Gregory the Great which carries the title ‘Sir’.



During the dinner, the Institute also conferred the 'Anugerah Presiden' award to a distinguished member for their exceptional contributions. YBhg Tan Sri Dato' Krishnan Tan Boon Seng, Deputy Non-Executive Chairman of IJM Corporation Berhad was named as this year's recipient. A member of the Institute for 35 years, Tan Sri is a distinguished and respected member of the business community. MICPA also awarded 23 of its members who are aged 70 and above and have faithfully served as members for 30 years or more with 'Life Member' status with a Certificate of Life Membership.

MICPA Excellence Awards 2015

On October 18, 2016 MICPA held its annual Excellence Awards which saw the Institute presenting examination certificates to its graduating students and awards to several outstanding students of the prestigious MICPA-CAANZ Programme.

The certificates and awards were presented by the guest of honour for the night -YBhg Datuk Ali bin Tan Sri Abdul



Kadir, MICPA Past President. YBhg Dato' Abdul Rauf Rashid, MICPA President and Mr Lee White, Chief Executive Officer of Chartered Accountants Australia and New Zealand (CAANZ) were also on hand to present the awards. We celebrated 99 graduates, 5 Gold Medal winners and 28 Certificate of Merit award recipients.

JICPA



Development Support for Myanmar CPAs

JICPA has continued its support for the development of capital markets in Myanmar since 2014. To expand the partnership, JICPA, the Myanmar Institute of CPAs (MICPA) and Daiwa Myanmar-Japan Foundation (DMJF) signed the Memorandum of Understanding (MoU) on mutual cooperation for the advancement of knowledge, professional and intellectual competence of professional accountants in Myanmar and for the enhancement of self-regulatory functions of the MICPA on June 8, 2016.



With this MoU, JICPA and DMJF have jointly started providing bi-weekly training for Myanmar CPAs, focusing on the topics such as capital market, stock exchange and initial public offering.

New Leadership for 2016–2019 Assumed Office



On July 25, 2016, the 50th JICPA Annual General Assembly was held and the new leadership for 2016-2019 assumed office. Aiko Sekine, the former Deputy President of JICPA, was appointed as the first female Chairman and President of JICPA. She served as a member of International Ethics Standard Board for Accountant (IESBA) from 2008 to 2010, and as a member of Accounting Standards Board of Japan and Business Accounting Council of Financial Services Agency in Japan from 2010 to 2016.

JICPA Published the IT Committee Research Report No. 48 “The Outlook for IT-Based Auditing”

On July 26, 2016, JICPA has issued IT Committee Research Report No. 48, “The Outlook for IT-Based Auditing: Approaches to Next-Generation Auditing” translated in English. In view of the development of IT, JICPA continues to study the effective use of advanced technologies in ensuring the quality of audit. The report can be obtained at http://www.hp.jicpa.or.jp/specialized_field/files/O-10-48-2-20160726.pdf.

JICPA Published a Member List in Support of Overseas Business Expansion of Japanese Companies

In support of Japanese government’s initiative on SME business expansion in Asian region, JICPA has published a list of members based in Asia with expertise in assisting overseas business expansion.

Joint Seminar on Framework-based Understanding of IFRS

JICPA and IFRS Foundation hosted a third joint seminar on Framework-based understanding of IFRS on August



24 and 25, 2016. Inviting Mr. Michael Wells, former Director of IASB IFRS Education Initiative, this two-day workshop brought together leaders from the International Accounting Standards Board (IASB), accounting professionals and others with a particular interest in preparing to support IFRS adoption in Japan. During this interactive workshop, participants got the opportunity to make the judgments and estimates that are necessary to apply IFRS. Takatsugu Ochi, IASB board member, and Tatsumi Yamada, Partner, KPMG (formerly IASB board member) also presented concepts and issues related to the implementation of IFRS 16 Lease and IFRS 15 Revenue from Contracts with Customers.



Executive Program – International Business, Finance and Investment in Singapore

From August 28 to September 1, 2016, seven of the selected JICPA members participated in the Executive Program – International Business, Finance and Investment in Singapore held at Nanyang Technological University in Singapore.

This program is held every year in fall with a fund from Okamoto Foundation, which was established in 1993 by a JICPA member. Okamoto Foundation has been assisting JICPA members to broaden their understanding of accounting and auditing practices in various Asian countries and the operations of Japanese businesses overseas.

Symposium on Women in Leadership; Leveraging Accounting and Finance Skills



On September 23, 2016, JICPA co-sponsored a symposium entitled “Women in Leadership; Leveraging Accounting and Finance Skills.” Aiko Sekine, Chairman and President of JICPA, opened the event with a keynote speech and later participated in a panel discussion on keys to become successful in a career through leveraging skills in accounting and finance.

With more than 270 attendees from business communities and academia, including young professionals and university students, the symposium highlighted the advantage of professional expertise in accounting and finance in encouraging and empowering women in society. The details of the symposium were later reported in the Nikkei, Japan’s leading business daily newspaper.

37th JICPA Annual Conference

The 37th JICPA Annual Conference was held in Fukushima, with a main theme “Role of CPAs in today’s complex audit environment –Moving forward from the Great East Japan Earthquake.” The keynote speech was given by Mr. Minoru Kamata, a prominent writer and Director Emeritus of Suwa Central Hospital, followed by the total of 10 concurrent sessions.

The conference was successful with attendance of over 850 JICPA members and individuals from related fields.





JICPA Joined “Japan Network for the IFIAR”

In preparation for the scheduled establishment of a permanent secretariat of the International Forum of Independent Audit Regulators (IFIAR) in Tokyo on April 2017, Financial Services Agency of Japan launched the “Japan Network for the IFIAR.” The network consists of various stakeholders who engage in audit. JICPA has become the key members of the network supporting the activities of the IFIAR Secretariat in Japan and thereby contributing to the global enhancement of audit quality.

JICPA Continues to Support Public Financial Management in Local Government

JICPA continues to support the efforts in local government to enhance its public financial management. To assist members involved in preparation of financial statements and other related documents in local government, JICPA provides training and necessary information.

PRIMARY MEMBERS



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



MYANMAR

Myanmar Institute of Certified Public Accountants (MICPA)

No. 1/19, Thakhinmya Garden Street Ahlone Township
Yangon 11121, Myanmar

www.oagmac.gov.mm



CAMBODIA

Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA)

8th Floor, Golden Tree (VTRUST) Tower in Block 35,
Street Tchecoslovaquie (169)
Sangkat Veal Vong, Khan 7 Makara
Phnom Penh

www.kicpaa.org.kh



PHILIPPINES

Philippine Institute of Certified Public Accountants (PICPA)

PICPA Building, 700 Shaw Boulevard
City of Mandaluyong
Manila, Philippines

www.picpa.com.ph



INDONESIA

Ikatan Akuntan Indonesia (Insitute of Indonesia Chartered Accountants – IAI)

Grha Akuntan, Jl. Sindanglaya No. 1
Menteng, Jakarta 10310
Indonesia

www.iaiglobal.or.id



SINGAPORE

Institute of Singapore Chartered Accountants (ISCA)

60 Cecil Street
ISCA House
Singapore 049709

www.isca.org.sg



LAO PDR

Lao Chamber of Professional Accountants and Auditors (LCPAA)

349/2 Khumphenmeung Road
Thongsangnang District
Vientiane Capital
Lao PDR



THAILAND

Federation of Accounting Professions (FAP)

133 FAP Building
Sukhumvit 21 Road (Asok)
Khlong Toei Nua, Watthana
Bangkok 10110, Thailand

www.fap.or.th



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



VIETNAM

Vietnamese Association of Accountants and Auditors

192 Giai Phong Road, Thanh Xuan District
Hanoi, Vietnam

www.vaa.net.vn



ASSOCIATE MEMBERS

CPA Australia

Level 20
28 Freshwater Place
Southbank, VIC 3006
Australia

www.cpaaustralia.com.au



Chartered Accountants Australia and New Zealand (CAANZ)

33 Erskine Street
GPO Box 9985, Sydney
NSW 2000, Australia

www.charteredaccountantsanz.com



The Association of Chartered Certified Accountants (ACCA)

One Raffles Quay, South Tower #22-10A
Singapore 048583

www.accaglobal.com

Think Ahead 

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



The Malaysian Institute of Certified Public Accountants (MICPA)

No. 15, Jalan Medan Tuanku
Kuala Lumpur
Malaysia 50300

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





ASEAN FEDERATION OF ACCOUNTANTS
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2016



BAKER TILLY
TFW

Baker Tilly TFW LLP
Chartered Accountants of Singapore

An independent member of Baker Tilly International

CONTENTS

Federation Profile	93
Statement by Council	94
Independent Auditor's Report	95
Statement of Profit or Loss and Other Comprehensive Income	98
Balance Sheet	99
Statement of Changes in Accumulated Fund	100
Statement of Cash Flows	101
Notes to the Financial Statements	102



ASEAN FEDERATION OF ACCOUNTANTS

ASEAN FEDERATION OF ACCOUNTANTS FEDERATION PROFILE

PRIMARY MEMBERS

Brunei	Brunei Darussalam Institute of Certified Public Accountants (BICPA)
Cambodia	Kampuchea Institute of CPAs 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) (change in membership from Myanmar Accountancy Council (MAC) Union of Myanmar to MICPA w.e.f.22 October 2016)
Philippine	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 Chartered Certified Accountants (ACCA)
United Kingdom	The Institute of Chartered Accountants in England and Wales (ICAEW)

OFFICE BEARERS FOR THE YEAR ENDED 31 DECEMBER 2016

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

OFFICE OF THE FEDERATION

Ikatan Akuntan Indonesia

Grha Akuntan
Jl. Sindanglaya No. 1, Menteng
Jakarta 10310
Indonesia

INDEPENDENT AUDITOR

Baker Tilly TFW LLP

Public Accountants and
Chartered Accountants
Singapore

STATEMENT BY COUNCIL

In the opinion of the Council:

- (i) the financial statements as set out on pages 98 to 106 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 2016 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)



Frankie Chia
Treasurer

5 May 2017



BAKER TILLY TFW

Baker Tilly TFW LLP
Chartered Accountants of Singapore
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

T: +65 6336 2828
F: +65 6339 0438

www.bakertillytfw.com

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 98 to 106, which comprise the balance sheet as at 31 December 2016, 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 2016 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 Federation Profile and Statement by Council as set out on pages 1 to 2, 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 LLP
Public Accountants and
Chartered Accountants
Singapore

5 May 2017

ASEAN FEDERATION OF ACCOUNTANTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2016

	2016 \$	2015 \$
Income		
Membership fees	61,500	26,750
Interest income	5,683	3,735
Other income	–	7,384
	<hr/> 67,183	<hr/> 37,869
Less expenditure		
Auditor's remuneration	2,000	2,000
Bank charges	784	399
Courier charges	311	25
Foreign currency exchange loss/(gain)	1,185	(391)
Forum expenses	–	4,885
Meeting expenses	7,156	11,996
Publications	1,617	1,545
Research activities and projects	5,000	–
Staff costs	60,000	15,000
Sundry expenses	425	305
Travelling expenses	8,297	11,454
Website expenses	1,281	1,263
	<hr/> 88,056	<hr/> 48,481
Net deficit and total comprehensive loss for the year	<hr/> (20,873)	<hr/> (10,612)

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

ASEAN FEDERATION OF ACCOUNTANTS

BALANCE SHEET
At 31 December 2016

	Note	2016 \$	2015 \$
Current assets			
Other receivables	3	2,015	10,427
Cash and cash equivalents	4	481,017	505,474
		<hr/>	<hr/>
		483,032	515,901
		<hr/>	<hr/>
Current liabilities			
Payables and accruals	5	27,518	39,514
		<hr/>	<hr/>
Net assets		455,514	476,387
		<hr/>	<hr/>
Accumulated Fund		455,514	476,387
		<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 2016

	\$
Balance at 1 January 2015	486,999
Net deficit and total comprehensive loss for the year	(10,612)
	<hr/>
Balance at 31 December 2015	476,387
Net deficit and total comprehensive loss for the year	(20,873)
	<hr/>
Balance at 31 December 2016	455,514
	<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 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Net deficit for the year		(20,873)	(10,612)
Adjustment for:			
Interest income		(5,683)	(3,735)
Operating deficit before movements in working capital		(26,556)	(14,347)
Other receivables		7,384	(7,384)
Payables and accruals		(11,996)	37,764
Cash (used in)/generated from operations		(31,168)	16,033
Interest received		6,711	1,076
Net cash (used in)/generated from operating activities		(24,457)	17,109
Net (decrease)/increase in cash and cash equivalents		(24,457)	17,109
Cash and cash equivalents at beginning of year		505,474	488,365
Cash and cash equivalents at end of year	4	481,017	505,474

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

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 management to exercise its judgement in the process of applying the Federation’s accounting policies. It also 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. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. There were no significant judgement and estimates made during the 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.

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.

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 2016 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.

2 Significant accounting policies (cont'd)

(b) Financial assets

i) 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" and "cash and cash equivalents" on the balance sheet.

ii) 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.

iii) Initial measurement

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

iv) 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.

v) 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

(i) *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').

(ii) *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) 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

	2016 \$	2015 \$
Other receivables	–	7,384
Interest receivables	2,015	3,043
	2,015	10,427

4 Cash and cash equivalents

	2016 \$	2015 \$
Fixed deposits	407,797	401,087
Bank balances	73,220	104,387
	481,017	505,474

Cash and cash equivalents are denominated in the following currencies:

Singapore dollar	481,017	499,588
United States dollar	–	5,886
	481,017	505,474

Fixed deposits bear interest rates ranging from 0.20% to 1.80% (2015: 0.20% to 1.80%) per annum and mature between 1 and 10 months (2015: 1 and 10 months) from the balance sheet date.

5 Payables and accruals

	2016 \$	2015 \$
Accrued operating expenses	7,518	20,514
Sponsorships received in advance	20,000	–
Membership fees received in advance	–	4,000
Other payables	–	15,000
	27,518	39,514

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

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

	2016 \$	2015 \$
<i>Financial assets</i>		
Loans and receivables (including cash and cash equivalents)	483,032	515,901
<i>Financial liabilities</i>		
At amortised cost	7,518	35,514

6 Financial instruments (cont'd)

b) Financial risk management

The main risks arising from the Federation's financial management are credit risk, foreign currency 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 bank which is regulated.

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.

Foreign currency risk

The Federation has no significant exposure to foreign currency risk as its financial assets and financial liabilities are mainly denominated in Singapore dollar. The Federation does not use financial instruments to hedge its foreign currency risk. The Federation, however, monitors its exposure to foreign currency risk closely to assess the necessity to hedge the risk.

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 to continue as a going concern. 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 2016 and 31 December 2015.

9 Authorisation of financial statements

The financial statements of the Federation for the financial year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Council dated 5 May 2017.



ASEAN FEDERATION OF ACCOUNTANTS
Accredited Civil Society Organisation of the ASEAN

www.aseanaccountants.org

AFA Secretariat

Griha Akuntan
Jl. Sindanglaya No. 1, Menteng
Jakarta 10310, Indonesia
T. (+6221) 31904232 ext. 700 F. (+6221) 3152076