



**ASEAN
Federation
of Accountants**

ANNUAL
REPORT 2018



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ASEAN Federation of Accountants

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MESSAGE FROM AFA PRESIDENT

ASEAN is poised to be the fourth-largest economy in the world by 2030, after the European Union, the United States and China. ASEAN is expected to grow by over 5% per year, partially powered by ASEAN's commitment to further liberalise trade and services as set out in the ASEAN Economic Community Blueprint 2025. Consequently, there will be a greater demand for qualified professional accountants. With this in mind, AFA focused its priorities in 2018 to develop and expand the capacity and capabilities of the accountancy profession in the region.

AFA continued to work with our member organisations to encourage adoption and implementation of international standards, and to facilitate their collaboration with relevant stakeholders such as the international standard-setters. In 2018, we co-hosted the KICPAA – AFA Conference 2018 centred on audit and quality assurance, and supported MIA's Public Sector Financial Management Conference 2018. I am happy to inform you that we will continue this trend to create awareness and raise the profile of AFA as the body that represents the accountancy profession in ASEAN. Coming up in April in Bali, we are jointly hosting the IAI-AFA-IAESB International Conference 2019, to be held back-to-back with the IAESB meeting. The conference will focus on the implications of Information and Communication Technology (ICT) on accountants, professional scepticism, and Continuing Professional Development (CPD) issues from the point of view of accounting education standards.

In recognition of Small and Medium-sized Enterprises (SMEs) as the backbone of Southeast Asia's growing economy, in November 2018, AFA launched the AFA Research Report 2018. Following positive feedback on the publication, AFA is stepping up our efforts in curating and producing thought leadership content that is useful and relevant and which would position AFA as a valuable resource to our stakeholders in the region and beyond.

AFA recognises the importance of building our member organisations' capacity, using membership with IFAC and fulfilment of the IFAC member obligations as a benchmark for quality. In 2018, we supported LCPAA and MICPA in their respective development activities. AFA is currently supporting both LCPAA and MICPA in their application as IFAC Associate.

Finally, 2018 had been a historic year for AFA in our efforts to represent the voice of ASEAN accountants on the international platform. I represented AFA in my capacity as AFA President at the 20th World Congress of Accountants (WCOA) in Sydney – the Olympic event for the global accountancy profession - sharing opportunities for the profession in today's business landscape in Asia and promoting AFA's activities and initiatives to an audience of close to 6000 from all parts of the world. We look to build on this milestone, and to put the spotlight on the accountancy profession in our economically vibrant region.

I would like to express my most sincere thanks to my fellow Office Bearers and Council members for their dedication, invaluable contributions and insights towards advancing the work of the Federation in developing a stronger accountancy profession in ASEAN. On behalf of the Council, I would like to express our appreciation to Aucky Pratama and Monika Nabillya for their dedication and efforts in supporting AFA over the past year.

Thank you.

Kon Yin Tong

President (2018-2019)



MESSAGE FROM AFA DEPUTY PRESIDENT

Throughout my involvement with AFA, I have witnessed the ASEAN spirit and camaraderie serve as the foundation for collaborations between the AFA member organisations. Taking up the privilege to serve the Federation as its Deputy President for the period of 2018-2019, I am delighted to see the spirit continues, reflected in the many collaborations that our members are having throughout the year.

From the point of view of my country Myanmar, it is truly positive to see the many development activities that MICPA, together with our neighbouring partners and development bodies, have initiated in 2018. Cooperation on strengthening MICPA's capacity as the recognised PAO in Myanmar, and adoption and implementation of international standards such as IFRS, ISA, etc. will further enhance the capacity of not only accountants in the country but also our economy. I am optimistic that a stronger accountancy profession in Myanmar will contribute to a stronger profession in the ASEAN region.

Implementation of the ASEAN MRA on Accountancy Services by the ASEAN member states is a key regional initiative that AFA continues to recognise. This multilateral arrangement shall serve as a platform for mobility of professional accountants in the region. I wish AFA and our member organisations will be given the opportunity to contribute to implementation of the MRA, mainly through building the capacity of professional accountants in the region, to meet the standards that the MRA require. The future ASEAN CPA are those professional accountants who are members of the Professional Accountancy Organisations, and it is within our duty to encourage them to participate in the initiative.

As the region continues to grow, demand for quality accountancy services provided by qualified professional accountants will continue to rise. I believe it is part of our role to make sure that future professional accountants in the region can answer to the ever-increasing demand that comes from our stakeholders. I know that AFA will strive to contribute to the successful implementation of the MRA, through collaboration with our Government counterparts.

I look forward to continuing my commitment to work with my fellow Office Bearers, AFA Council and member organisations, and AFA Secretariat under the leadership of our Executive Director.

Kyay-zu-tin-par-del (Thank you).

Wan Tin
Deputy President (2018-2019)



MESSAGE FROM AFA EXECUTIVE DIRECTOR

2018 was an encouraging and positive year for AFA, particularly in realising the Federation's vision to be globally recognised as the organisation that represents the accountancy profession in the ASEAN region. AFA contributed to and participated in key regional and international events in 2018, bringing the voice of the region to be heard by those with interest in the development of the accountancy profession in Southeast Asia.

Working towards our objective to be a regional thought leader in discussion on SMEs and SMPs issues relevant to the accountancy profession, AFA finally launched the AFA Research Report 2018 at the AFA-CAPA Joint Forum 2018, conducted back-to-back with the WCOA 2018. The report is a culmination of a two-year research activity, commenced with introduction of the first AFA Research Grant in late 2016. We look forward to continuing this with introduction of the next AFA Research Grant in 2019. You will find highlights of our journey in working on the research in this Annual Report.

The AFA-CAPA Joint Forum 2018 as the platform for launching the report also signifies our commitment to continue exploring potential cooperation and collaboration with national, regional, and international stakeholders. Witnessed in person by the then newly elected IFAC President, Dr In-Ki Joo, the forum was a historical first for both organisations, who both expressed the desire to work together in development efforts throughout the region.

AFA's aspiration to be the voice of the accountancy profession in the region could not be expressed in a bigger platform that was the 20th World Congress of Accountants (WCOA). For the first time ever, AFA, represented by our President, Kon Yin Tong, participated in the Congress and spoke in a panel of experts discussing business in Asia and opportunities that accountants and businesses should be looking for.

As an accredited Civil Society Organisation of the ASEAN, the AFA leadership visited the ASEAN Secretary General, H.E. Dato' Lim Jock Hoi in 2018 to reiterate the Federation's commitment to support the ASEAN's regional initiatives. The ASEAN MRA on Accountancy Services in particular has been and will continue to be one of our key focuses for the region, supporting implementation of the initiative through various capacity building activities aimed at professional accountants in the region. I believe AFA and the Professional Accountancy Organisation can play important role in supporting our regulators to achieve this objective.

Under the leadership of the current Office Bearers and with full support from our Council and member organisations, I look forward to working towards achieving our objectives in 2019.

Terima kasih.

Aucky Pratama
Executive Director

ABOUT AFA



ASEAN Federation of Accountants (AFA)

AFA was organised in March 1977 to serve as the umbrella organisation for the recognised national Professional Accountancy Organisations (PAOs) of the Association of Southeast Asian Nations (ASEAN) member states.

ASEAN CSO

AFA is an accredited Civil Society Organisation of the ASEAN, recognised under the ASEAN Charter since 1994.



VISION

Globally recognised as the organisation that represents the accountancy profession in the ASEAN region.



MISSION

Develop and promote the accountancy profession in the region in support of the socio-economic enhancement of the ASEAN member states.





OFFICE BEARERS 2018 – 2019



Kon Yin Tong

• **President**

Kon Yin Tong is the President of the Institute of Singapore Chartered Accountants (ISCA) and serves as Chairman of the ISCA Executive Committee. He has been a member of the Nominations Committee since 2016. He was previously the Vice-President as well as a member of the Executive Committee from 2016 to 2018.

Yin Tong has been in the public accounting profession for more than 30 years and has personally been hands on in many client engagements, including cross-border assignments. As Managing Partner of Foo Kon Tan LLP, his areas of practice include those in litigation support and dispute resolution, including acting as expert witness and as assessor to the Court.

Yin Tong has been a Board member of the Singapore Accountancy Commission since 2013. Yin Tong is also the Chairman of Sport Singapore and audit committee chair of the Energy Market Authority. Previously, he was audit committee chair of the Singapore Totalisator Board, and a Board member of the Accounting and Corporate Regulatory Authority from 2006 to 2011. Yin Tong is a first-class honours graduate from the London School of Economics.



Wan Tin

• **Deputy President**

Wan Tin is the Managing Partner and Founder of JF Group. In February 2017, he was elected as a Chairman of MICPA which is a primary member of AFA and has worked for development and advancement of accounting profession in Myanmar.

During his tenure in MAC and MICPA he has participated in and contributed to Myanmar Accounting and Auditing Standards Setting, Drafting of MAC Law and Drafting new the Myanmar Companies Law, hold workshops, seminars and meetings with International Organizations and International Professional Bodies to gather information on and discuss professional issues as well as made recommendations and proposals to the Regulatory Bodies to develop more appropriate policies that support professional development and activities that benefit

member and protect member's interests.



Prof. Chan Yoke Kai

• **Treasurer**

Professor Chan Yoke Kai is currently the Advisor to the Accountancy Programme at the Singapore University of Social Sciences. He has served as a faculty member of both the National University of Singapore and the Nanyang Technological University for 30 years. He is a Fellow member of the Institute of Singapore Chartered Accountants (ISCA), a Fellow of the Association of Chartered Certified Accountants (United Kingdom), a Fellow Certified Public Accountant Australia, a Fellow of the Chartered Institute of Management Accountants (CIMA) and a Chartered Global Management Accountant (United Kingdom). His academic degrees were from the University of New South Wales (M.Com Honours), and the National University of Singapore (B Acc Honours).

He is currently a Council Member of ISCA. He is a past President of CIMA (Singapore Branch). He has also served as a Member of the Complaints and Disciplinary Panel of the Accounting and Corporate Regulatory Authority of Singapore and various committees of ISCA. He is a board member of the global Research Board of CIMA. He is also a Member of the ACCA Education Global Forum. In recognition of Professor Chan's contribution to the accountancy profession, ISCA presented him with a Silver Medal Award in 2008.

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 2018

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



PRIMARY MEMBERS

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

Brunei Darussalam

Brunei Darussalam Institute of Certified Public Accountants (BICPA)

Unit 3, First Floor, Block A, Regent Square
Simpang 150, Kiulap BE1518
Bandar Sri Begawan
Brunei Darussalam
www.bicpabrunei.com

Cambodia

Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA)

VTRUST Tower, 8th Floor
St. 169, Sangkat Veal Vong
Khan 7 Makara, Phnom Penh
Cambodia
www.kicpaa.org.kh

Indonesia

Ikatan Akuntan Indonesia (IAI) Institute of Indonesia Chartered Accountants

Grha Akuntan, Jl. Sindanglaya No. 1
Menteng, Jakarta 10310
Indonesia
www.iaiglobal.or.id

Lao PDR

Lao Chamber of Professional Accountants and Auditors (LCPAA)

349/2 Khumphenmeung Road
Thongsangnang District
Vientiane Capital
Lao PDR

Malaysia

Malaysian Institute of Accountants (MIA)

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

Myanmar

Myanmar Institute of Certified Public Accountants (MICPA)

No. 1/19, Thakhinmya Garden Street
Ahlone Township, Yangon 11121
Myanmar
www.oagmac.gov.mm

Philippines

Philippine Institute of Certified Public Accountants (PICPA)

PICPA Building, 700 Shaw Boulevard
City of Mandaluyong, Manila
Philippines
www.picpa.com.ph

Singapore

Institute of Singapore Chartered Accountants (ISCA)

60 Cecil Street
ISCA House
Singapore 049709
www.isca.org.sg

Thailand

Federation of Accounting Professions (TFAC)

133 Sukhumvit 21 Road (Asoke-Montri)
Khlong Toei Nua, Watthana, Bangkok 10110
Thailand
www.tfac.or.th

Vietnam

Vietnamese Association of Accountants and Auditors (VAA)

192 Giai Phong Road, Thanh Xuan District
Hanoi
Vietnam
www.vaa.net.vn

ASSOCIATE MEMBERS

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

CPA Australia

Level 20
28 Freshwater Place
Southbank, VIC 3006
Australia
www.cpaaustralia.com.au

Chartered Accountants Australia and New Zealand (CA ANZ)

33 Erskine Street
GPO Box 9985
Sydney, NSW 2000
Australia
www.charteredaccountantsanz.com

The Association of Chartered Certified Accountants (ACCA)

The Adelphi
1-11 John Adam Street
London
England WC2N 6AU
www.accaglobal.com

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

South East Asia Regional Office
9 Temasek Boulevard
#09-01 Suntec Tower Two
Singapore 038989
www.icaew.com

The Malaysian Institute of Certified Public Accountants (MICPA)

No. 15, Jalan Medan Tuanku
Kuala Lumpur, 50300
Malaysia
www.micpa.com.my

The Japanese Institute of Certified Public Accountants (JICPA)

4-4-1 Kudanminami Chiyoda-ku
Tokyo 102-8264
Japan
www.hp.jicpa.or.jp

The Association of Accounting Technicians (AAT)

140 Aldersgate Street
London
England EC1A 4HY
www.aat.org.uk

Institut Akuntan Publik Indonesia (IAPI) Indonesian Institute of Certified Public Accountants

Office 8 Building
12th Floor Unit 12i-12j, SCBD Lot 28
Jakarta 12190
Indonesia
www.iapi.or.id

INTRODUCTION OF NEW AFA ASSOCIATE MEMBER (IAPI)



Institut Akuntan Publik Indonesia (IAPI)
Indonesian Institute of Certified Public Accountants



President: **Tarkosunaryo**
Website: **www.iapi.or.id**
Email: **info@iapi.or.id**

At the 127th AFA Council meeting held in Sydney on 3 November 2018, the AFA Council has approved the appointment of Institut Akuntan Publik Indonesia (IAPI) also known as the Indonesian Institute of Certified Public Accountants as the Federation's eighth and latest Associate Member. IAPI's membership is effective immediately following the resolution. IAPI's membership is fully supported by Ikatan Akuntan Indonesia (IAI)/Institute of Indonesia Chartered Accountants, as the recognised Primary member of AFA representing Indonesia.

IAPI was originally organised under IAI in 1977 as a forum for public accountants in Indonesia to carry out public accountant development programs. At the IAI Congress VII in 1994 IAI members agreed to grant the right to upgrade the forum as the IAI Public Accountants Compartment.

In 2007, following IAI Extraordinary General Meeting, IAI Public Accountants Compartment was then upgraded to IAPI.

The issuance of the Minister of Finance Decree Number 443 / KMK.01 / 2011 concerning the Determination of IAPI as an Association of Public Accountants Profession authorises IAPI to carry out public accountant professional exams, drafting and establishing professional standards and ethics for public accountants, and organising Continuing Education Programs, as well as reviewing the quality of public accountants' services.



report of
THE AFA COUNCIL

126th AFA Council Meeting

 The Great Duke, Phnom Penh | 19 May 2018



Under the leadership of newly appointed AFA Office Bearers (2018-2019), KICPAA hosted the 126th AFA Council meeting in Phnom Penh. The meeting discussed several issues strategic to AFA, particularly on its relationship with regional and global stakeholders.

The AFA Council acknowledged AFA President's visit to the ASEAN Secretariat and ASEAN CPA Coordinating Committee Secretariat in Jakarta as an important milestone for the Federation in realigning its activities with both stakeholders. As an accredited CSO of the ASEAN, AFA is particularly encouraged with positive response from the ASEAN Secretary General, H.E. Dato' Lim Jock Hoi, on the need for AFA and ASEAN PAOs to be contribute to the ASEAN MRA on Accountancy Services discussion.



As an effort to expand the Federation's reach to wider group of stakeholders, this year AFA publishes the AFA Connect, a biannual publication focusing on issues relevant to ASEAN accountants. Moreover, AFA continues its foray into social media platforms, to reach those younger generation and technologically savvy accountants.

The meeting also witnessed the AFA Council's commitment to be involved in more stakeholders' activities and discussion on strategic and/or technical issues that are relevant to the AFA member organisations and the ASEAN accountants in general. Criteria and considerations for these activities will be approved by the AFA Council at the following Council meeting. After more than one year of research activity, the AFA Council also approved the AFA Research Report 2018 for finalisation and publication.

Continuing its good relationship with IFAC, AFA conducted an internal breakout session together with IFAC representatives, Sylvia Tsen (Executive Director, Knowledge, Operations & Technology) and Christopher Arnold (Head of SME/SMP and Research). The session focused on audit and quality control issues, with emphasis on adoption and implementation of the standards by SMPs in the region.

Held back-to-back with the meeting was the KICPAA-AFA Conference (18 May 2018). The Conference focused on how digitalisation of accounting supports ASEAN micro and SMEs and attended by more than 400 participants.

127th AFA Council Meeting

 International Convention Centre, Sydney | 3 November 2018



CPA Australia and CA ANZ hosted the 127th AFA Council meeting, coincidentally, exactly five years after the 109th AFA Council meeting was held at the office of then Institute of Chartered Accountants in Australia in Sydney. The AFA Council made the decision to host the meeting in Sydney to coincide with the 20th World Congress of Accountants 2018 and took advantage of the opportunities to meet with key stakeholders from around the world.

The meeting was another milestone for AFA who welcomed Institut Akuntan Publik Indonesia (IAPI) / Indonesian Institute of CPAs as its latest Associate member. Fully supported by IAI, IAPI's application, as presented by its President, Tarkosunaryo, was approved by the AFA Council, who look forward to working with IAPI as AFA's second regional Associate after MICPA of Malaysia. IAPI's Associate membership took immediate effect following the approval of the AFA Council's resolution.

The AFA Council highlighted the importance for AFA and its member organisations to promote and share development activity successes to a wider group of stakeholders. PICPA has successfully published its success story on the Philippines' journey to good governance at the IFAC Global Knowledge Gateway, followed by MIA who wrote on implementation of accrual accounting in Malaysia. AFA continues to encourage its member organisations to follow the step and learn from PICPA and MIA's experience.

Strategically, the meeting also took note of the latest development in IFAC's discussion on a new strategic partnership framework. AFA's interest is in line with its aspiration to be recognised as a regional partner of IFAC, in development of the accountancy profession in the ASEAN region. AFA will continue to work closely with IFAC to pursue this objective, whilst working together in development activities in the region.



Back-to-back with the meeting, AFA co-hosted the AFA-CAPA Joint Forum 2018 together with CAPA (3 November 2018). A historical first for both organisations, the forum was to provide a platform for AFA and CAPA member organisations to network and explore potential collaborations on common interest, particularly capacity building and development activities.

AFA Courtesy Visit to the ASEAN Secretariat and ACPACC Secretariat

ASEAN Secretariat and ACPACC Secretariat, Jakarta | 14 March 2018



Strengthening AFA's position as the accredited Civil Society Organisation of the ASEAN, AFA President, Kon Yin Tong, conducted a courtesy visit to the ASEAN Secretariat and ASEAN CPA Coordinating Committee (ACPACC) Secretariat in Jakarta. The visit was a realisation of AFA's aspiration to build a stronger communication, coordination, and cooperation with the two key stakeholders in the region.

ASEAN Secretary-General, H.E. Dato' Lim Jock Hoi, on behalf of the Secretariat, acknowledged the important role that AFA plays in working together with accountancy bodies in the region and encouraged AFA to continue with its efforts to build the capacity of the profession. He specifically identified the importance of adoption and implementation of international standards as a key component contributing to harmonisation of the accountancy profession and economy in the region.

Welcomed by the Head of ACPACC Secretariat, Fajar Sri Wahyuni, and Head of the Centre for Supervision of Financial Professionals, Ministry of Finance of Indonesia, the late Langgung Subur, AFA also visited the ACPACC Secretariat. The Secretariat shared the latest progress of the ASEAN CPA registration, with emphasis on how AFA and the ASEAN PAOs can assist in encouraging further registration from accountants in the region. Both organisations agreed to strengthen their communication and cooperation, particularly in exploring ways to further drive the implementation of the ASEAN MRA on Accountancy Services.

ACCA – IAI – AFA Regional Joint Conference 2018

Ayana Hotel, Jakarta | 3 May 2018



The event was the first collaboration between IAI, AFA, and ACCA, on a hot topic relevant to many stakeholders in the region – The Race for Relevance – Technology Opportunities for Accounting and Finance Function. This event was among AFA's activities focusing on technology throughout the year, dating back to the AFA supported FAP International Conference on Digital Economy in 2016.



More than 120 accountants, mostly members of IAI and ACCA, actively participated in the exclusive event, focusing on three panel sessions on: 1) Opportunities and threats for accounting and finance functions in the technology era, with panellists from the Information System sector, 2) Regulatory and policy making framework in the technology era, providing the point of view of regulators and policy makers, and 3) To be relevant: Accountants in the technology era, that provides opportunity for practicing accountants and professional body to express their voices.

Executive Director Pratama participated as the moderator for session 2, whilst the regional flavour of the event was represented by contribution from Dr Nurmazilah Dato' Mahzan of MIA as one of the panellists in session 3.

Courtesy Visit to Cambodian Stakeholders

Cambodia State Treasury and Ministry of Economy and Finance, Phnom Penh | 17 May 2018



A delegate led by the KICPAA leadership, consisted of leaderships of AFA, AFA Working Committee 3, and IFAC, conducted courtesy visits the Cambodia State Treasury and Ministry of Economy and Finance/National Accountancy Council, as the two key stakeholders of the accountancy profession in Cambodia. The visit was a realisation of AFA's aspiration to work with stakeholders in the region and supports KICPAA as the national PAO in Cambodia. It leveraged on AFA and IFAC's presence in the country to promote the important role of PAOs and the accountancy profession in supporting national, regional, and global economy.

The delegates were welcomed by H.E. Chhean Heang (Treasurer, Cambodia) and H.E. Ngy Tayi (Secretary of State, Ministry of Economy and Finance, and Chairman, National Accountancy Council), supported by their respective officers.

AFA President and Executive Director shared with the stakeholder information about AFA and its activities in the region, whilst AFA Working Committee 3 focused on some of the initiatives of the Committee in supporting PAO capacity building. IFAC representatives shared updates on resources, publications, and initiatives of IFAC that are publicly available.

KICPAA – AFA Conference 2018

 **The Great Duke, Phnom Penh | 18 May 2018**



KICPAA together with AFA co-hosted the KICPAA – AFA Conference 2018, taking the theme of Digitalization of Accounting: Supporting ASEAN Micro & SME. Witnessed by more than 400 accountants, practitioners from local micro and SMEs (MSMEs) and representatives of key stakeholders, the Conference was honoured by a remark from H.E. Tayi Ngy. In his remark, H.E. highlighted the important role that PAO such as KICPAA and regional body like AFA, supported by a global body of IFAC stature, in assisting ASEAN accountants and MSMEs in reaching their full potential.

Sylvia Tsen (Executive Director, IFAC) shared some of IFAC's initiatives on technology. She encouraged accountants in the region to access the many resources that IFAC has made available, particularly through its IFAC Gateway. Maggie McGhee (Director of Professional Insights, ACCA) presented to the participants several of ACCA's publications and surveys on how technology change the way accountants, particularly the next generation of talent see the profession. Whilst AFA Executive Director shared the regional perspective on how technology has penetrated our daily life, accountancy profession included. He also highlighted some opportunities and challenges faced by ASEAN MSMEs.

Afternoon part of the Conference provided participants with the opportunity to choose between two breakout sessions: 1) The role of Fintech in supporting Cambodian financial sector and MSMEs, and 2) Platform and tools to support the ASEAN SMPs (with emphasis on quality assurance). Breakout session 2's panellists consisted of an array of experts: Manoj Fadnis (Member, IFAC SMP Committee), Christopher Arnold (Head of SME/SMP and Research, IFAC), Simon Tay Pit Eu (Executive Director, Professional Practices & Technical, MIA), and Sharon Tan (Senior Manager, Audit Quality & Standards Development, ISCA).

IFAC PAO Development Committee Meeting

 **Makati Shangri-La, Manila | 31 May – 1 June 2018**

AFA was invited to observe the IFAC PAO Development Committee (PAODC) in Manila. Led by Chair of the Committee, the meeting was also attended by representatives of regional bodies such as CAPA, SAFA, and PAFA, and the World Bank Group. AFA shared similar priorities with the PAODC, particularly in building the capacity of strong and sustainable PAOs in the region, and facilitating knowledge sharing between the PAOs. A key highlight of the meeting was PICPA's presentation on history of the Institute and their journey in implementing the Philippines Performance Governance System. Members of the Committee acknowledged PICPA as an example of a success story of how PAO can work closely with their stakeholders, particularly the regulator, in not only developing the accountancy profession in the Philippines but also in influencing policy

making process in the country. AFA is working with its member organisations to share similar development stories in the region to a wider stakeholder, through cooperation with IFAC.

PAODC has extended an invitation for AFA to attend future meetings of the Committee and explore potential development and capacity building activities in Southeast Asia.



2nd Forum of Entities Associated with ASEAN

ASEAN Secretariat, Jakarta | 15 October 2018

AFA as an accredited Civil Society Organisation (CSO) of the ASEAN was invited to the 2nd Forum of Entities Associated with ASEAN. Based on positive outcomes of the first Forum last year, the ASEAN Secretariat recognised the importance to gather feedback from and maintain communication with entities associated with ASEAN.

The forum provided a venue to explore possible cooperation between ASEC, ASEAN sectoral bodies, ASEAN related centres and entities and/or among the entities themselves. It also provided a platform for entities, centres, and the ASEAN Secretariat officials to discuss thematic issues relevant to the priorities of the respective ASEAN Pillars.

In his welcoming remarks, H.E. Dato Lim Jock Hoi, Secretary-General of ASEAN, highlighted the need for the Secretariat, ASEAN centres, and the different entities to strengthen communication and coordination on initiatives and activities in the region.

IFAC Council Meeting

International Convention Centre, Sydney | 1 November 2018

AFA was invited to observe the IFAC Council Meeting in Sydney. This was AFA's first official participation at the IFAC Council meeting. It was a historical meeting for departing IFAC President, Rachel Grimes, and incoming President, Professor In-Ki Joo. In addition, IFAC also used the opportunity to introduce Kevin Dancey as the incoming CEO, taking over the position from Fayezul Choudhury who has been in the position since 2013. IFAC also appointed Alan Johnson as the incoming Deputy President.

Among the key agenda items relevant to AFA was discussion on IFAC's proposal to introduce a new strategic relationship model with accountancy groupings and stakeholders around the world. AFA continues to work

with IFAC in exploring possibilities for AFA to be recognised as a regional partner of IFAC in development of the accountancy profession in Southeast Asia.

With participation from 98 voting members, IFAC made several key decisions including appointment of new IFAC President and IFAC Deputy President, IFAC Strategy 2019-2020: Build Trust, Inspire Confidence, and approval of Association of Accountants of the Republic of Latvia as the latest IFAC Member.

AFA also attended the IFAC reception held prior to the IFAC Council meeting and used the opportunity to engage with the IFAC leadership and representatives of PAOs and regional organisations from all parts of the world.



AFA – CAPA Joint Forum 2018

International Convention Centre, Sydney | 3 November 2018

AFA and the Confederation of Asian Pacific Accountants (CAPA) co-hosted the AFA – CAPA Joint Forum 2018 in Sydney, following the conclusion of both organisations' respective meetings. The event was a historical first for both, held with the objectives of providing a platform for AFA and CAPA members to network and explore potential collaborations on common interest, particularly capacity building and development activities.



Prof. Arnold Schilder (Chair) and Chiew Chun Wee (Member) of the IAASB provided an update on the latest IAASB standards and activities. The Board's involvement in the session was for the benefit of AFA and CAPA members, to discuss pressing issues on the standards, directly with those who issued them.

The forum was also honoured by participation of newly appointed IFAC President, In-Ki Joo, who shared some key updates and initiatives of the Federation. Among the attendees were Alta Prinsloo (Executive

Director, IFAC) and Joseph Bryson (Director, IFAC). This further highlighted IFAC's interest in the event and how members of AFA and CAPA can collaborate on various development activities.

Brian Blood (Chief Executive, CAPA) shared to the participants highlights of CAPA's history, recent activities and publications. Among those shared was CAPA's publication on accounting technician that include a look at the status of the profession in selected ASEAN countries.

AFA Executive Director shared AFA's history, membership, and more importantly, its role as an annex of ASEAN in development of the accountancy profession in the region. He highlighted the important role that AFA, as an accredited ASEAN CSO, plays in supporting ASEAN's key initiatives such as the ASEAN MRA on Accountancy Services. He also shared with the participants AFA's recent achievements, activities, and publications, one of which is the AFA Research Report (2018).

Taking advantage of the opportunity, AFA launched the AFA Research Report (2018). AFA President symbolically presented a copy of the report to IFAC President, as a representation of the accountancy profession. AFA in cooperation with the AFA member organisations, will promote and disseminate the report to relevant stakeholders and the public.

20th World Congress of Accountants 2018

 International Convention Centre, Sydney | 5-8 November 2018



The 20th World Congress of Accountants (WCOA) 2018 held in Sydney was attended by almost 6,000 accountants from more than 130 countries. Participants descended into the International Convention Centre Sydney by the Darling Harbour, to be immersed in the 4-day congress, to meet and connect with accountants from all over the world. The WCOA 2018's main theme was global challenges, global leaders, looking at innovative way the accountancy profession turns challenges into opportunities.

Southeast Asia, specifically AFA, was represented by around 70 participants from among others, Brunei Darussalam, Indonesia, Malaysia, Myanmar, Philippines, Singapore and Vietnam. The biggest delegation aside from Australia and New Zealand was Nigeria, with about 700 accountants took part in the congress.

Among the activities in day 1 was a full-day session hosted by IFAC, looking at future ready PAOs and accountancy profession. IFAC leadership and executive, represented by among others Arjuna Herath (Chair, IFAC PAO Development Committee) and Kevin Dancey as the newly appointed CEO, shared IFAC's latest development and plans. MIA, represented by Dr Nurmazilah Dato' Mahzan, also shared some of its latest key such as on <IR> and the use of technology.

Some of the key speakers sharing their inspiring thoughts throughout the different sessions were Prof. Niall Ferguson (Harvard), Diana B. Henriques (New York Times best-selling author), Michael Woodworf (Former CEO, Olympus Cooperation), and Dr Ayesha Khanna (Co-Founder and CEO, ADDO AI). A session on how Government transformation shaping economic and social change by Sri Mulyani Indrawati (Minister of Finance, Republic of Indonesia) and Sir Bill English (Former Prime Minister, New Zealand), a discussion on global risks and how they can/have quickly changed our current global economy, with a panel of former Secretary General of the UN, Ban Ki-Moon, former Finance Minister of Greece, Yanis Varoufakis, Alison Martin (Zurich Insurance Group), and Keren Elazari, along with an inspiring keynote from Sir Ken Robinson (Author, Creative School), were some of the highlights of the congress.

The WCOA 2018 was a monumental milestone for AFA. AFA President, Kon Yin Tong, participated in one of the concurrent sessions, sharing the panel with China's most influential accountant, Zhang Ke (ShineWing) and representative of the Department of Foreign Affairs and Trade Australia. Taking the theme of decoding the business landscape in Asia, AFA provided the Southeast Asia context, particularly highlighting the untapped business opportunities in the region and how AFA and the ASEAN PAOs are supporting ASEAN's regional strategy.



ACCA 8th International Public Sector Conference 2018

One Farrer Hotel, Singapore | 1-2 March 2018



ACCA organised the 8th International Public Sector Conference 2018 in Singapore, focusing on digital public sector, discussing issues such as innovating the public sector in the digital age, transparency and accountability in the public sector, including implementation of international standards and the role played by Supreme Audit Institutions, talent strategies in the public sector, better public financial management and capacity building; and how the public sector engenders an entrepreneurial environment.

Attended by around 400 accountants from around the world, the conference featured prominent speakers in the accountancy profession such as Karen Sanderson (Executive Director, Industry and Government Services at New South Wales Treasury), Keto Kayemba (Assistant Auditor General in the Office of the Auditor General, Uganda), Anthony Harbinson (Director of Safer Communities, Department of Justice, Ireland), and Dang The Vinh (Deputy Auditor General State Audit Vietnam).

As a supporting partner, AFA recognised the conference focus to target decision makers in the finance and accountancy functions within the public sector.

IAI APA Fest 2018

Indonesia Stock Exchange, Jakarta | 19 April 2018



IAI successfully hosted the IAI Aspiring Professional Accountants Festival (APA Fest) 2018 at the Main Hall of the Indonesia Stock Exchange. More than 500 young aspiring accountants from universities throughout Indonesia, recipients of Chartered Accountant (CA) Indonesia scholarships, CA, CPSAK, USAS and USAAP certificate holders, and representatives of the IAI Affiliated Campus attended the event. 19 prominent and selected major companies including accounting firms, banks, state-owned enterprises, and Government bodies participated as event exhibitors and conducted on-the-spot recruitment process.

AFA supported IAI's aspiration to establish a strong and mutually benefitting connections between the profession, industry, and the best accountancy graduates from universities in the country.

Among the prominent professional accountants sharing their insights to the next generation of accountants were Ignasius Jonan (Minister of Energy and Mineral Resources) and Ahmadi Hadibroto (former President of AFA and Board Member of IFAC).

MIA Regional CFO Business Forum 2018

 **Hilton Hotel, Kuala Lumpur | 15 August 2018**



MIA organised the inaugural Regional CFO Business Forum 2018 jointly with CIMA to enhance the competency of finance leaders. With the theme of 'Emergence of the Digital Age', the forum focused on the importance of embracing technology for CFOs. Recognising the importance of the theme particularly for finance professionals in the region, AFA was a supporter of this event.

Topics such as new business innovation, CFO competency framework, cash evolution, transforming the retail landscape through innovation, and cloud as the future of cybersecurity

were passionately discussed by the participants. Among the speakers involved were Aiza Azreen (Director of Strategic Development, Axiata Digital Services), Alain Boey (Chief Transformation Officer, Media Prima Bhd.), Jason Lim (Vice President of Cyber Security, Wiki Labs), and Jeremy Nasrulhaq (Chairman, MIA's Professional Accountants in Business Committee).

Subject matter experts shared insights on how identifying and implementing the right technologies can enhance the finance function's value creation, specifically through robotic process automation, data visualisation for real-time financial information, and advanced analytics for finance and overall business operations to scope out hidden potentials.

IAI International Tax Conference 2018

 **Westin Hotel, Jakarta | 27 September 2018**



AFA supported the hosting of the IAI International Tax Conference 2018, co-hosted by IAI Taxation Accountant Compartment together with the Bureau van Dijk, a Moody's Analytics company. The Conference theme was The Implementation of Base Erosion and Profit Sharing (BEPS) Action to Improve Tax Compliance and Transparency in Indonesia.

Attended by around 100 tax accountants, tax practitioners, and representative of relevant regulators and Government institutions, the Conference focused on discussion topics such as the implication of digitalisation

on Indonesian tax reform, understanding the alternatives of dispute resolution in Indonesia, the application of profit split method in applying the arm's length principle, and automatic exchange of information to improve tax compliance in Indonesia.

Some of the key speakers and panellists participated in this AFA supported Conference were Dwi Astuti (Deputy Director of International Taxation Treaties and Cooperation, DGT Indonesia), Luis Carrillo (Director Tax & Transfer Pricing Solutions, Bureau van Dijk), Ruston Tambunan (Managing Partner, Citasco), and Jul Seventia Tarigan (Head of Tax Division, PT Adaro Energy).

IAI – ICAEW Joint CPD Session

 IAI Office, Jakarta | 1 October 2018



AFA supported IAI and ICAEW's joint CPD session on how whistleblowing helps companies. More than 50 participants actively participated in the discussion that among others, compares whistleblowing practice in Indonesia to those in particularly the UK and US. Majority of the participants came from public accounting firms, with a mixture of academicians and accountants in public sector and private entities.

Elizabeth Richards (Head of Corporate Governance, Institute of Chartered Accountants in England and Wales) shared the benefits and challenges, ways to improve, internal and external procedures, and tips of implementing a robust whistleblowing structure.

Moderated by AFA Executive Director, Ganovar (Internal Auditor, State Development Audit Agency of Indonesia), shared his experiences in dealing with whistleblowing reports and activities in Indonesia, both in private and public sectors.

IAI – ACCA Joint CPD Event on Integrated Reporting

 Le Meridien Hotel, Jakarta | 23 October 2018



IAI together with ACCA co-hosted the IAI – ACCA Joint CPD Event on Integrated Reporting (<IR>), focusing on the growing importance of integrated thinking to business reporting and sustainability. This was the first joint event from both organisations on <IR>. In supporting this event, AFA is recognising the importance of <IR> and its potential adoption and implementation in the region.

More than 75 participants from different professional background witnessed a series of presentations from local and regional experts on <IR>, followed by an intense panel discussion moderated by AFA ED, Aucky Pratama.

First presenter, Chun Wee Chiew (Regional Head of Policy, ACCA) established the tone for the day, building the participants' interest towards <IR> and particularly how it is different from the more common financial sustainability report. The same message was further highlighted by Francis Cyril (ASEAN Regional Manager, IIRC), who shared the key principles, potential benefits and challenges, and arguments why <IR> is important. In the afternoon session, Semerdanta Pusaka (Director, Aicon) shared some examples of implementation of <IR> by a handful of companies in Indonesia, taken from his first-hand experience as consultant for these entities. Sylvia Veronica (TISAK IAI) who is also an academician and researcher from Universitas Indonesia further highlighted how potential implementation of <IR> in Indonesia need to learn from experiences of countries such as South Africa, Japan, and in the region, Malaysia.

Kongres XIII IAI

Balai Kartini, Jakarta | 11-13 December 2018



IAI hosted the Kongres XIII IAI, a three-day event consisted of a two-day international seminar and the Institute's four-yearly general meeting, including election of IAI's President and members of the National Council for the period of 2018-2022. The event is also a celebration of the Institute's 61st anniversary.

Supported by AFA, the event was officially opened by the President of the Republic of Indonesia, H.E. Ir. Joko Widodo (Jokowi), at the Presidential Palace in Jakarta. Jokowi in his speech highlighted the important role of accountants in supporting Government's aspiration and initiative to establish an efficient, economic, agile, and accountable reporting system. He also recognised the need for professional certification for the profession, as a mean of standardisation and preparation of Indonesian accountants in competing regionally and globally.



The Kongres took the theme of inclusive role of the accountancy profession towards SDGs 2030, highlighting the profession's vision to contribute to the achievement of the SDGs in 2030.

Continuing with the trend of IFAC President participating in major event of the Institute (Rachel Grimes in 2017 and Olivia Kirtley in 2015), newly appointed President, Dr. In-Ki Joo, participated in the seminar and shared his thoughts in front of more than 1,500 accountants from all over Indonesia, in addition to guests from the ASEAN region and global accountancy bodies. Dr. Joo and Russell

Guthrie (Executive Director, External Affairs and Chief Financial Officer) also participated in IAI Aspiring Professional Accountants (APA) Event, aspiring more than 250 accounting students from universities all over Indonesia.

Among the key speakers participating in and contributing to the seminar were: 1) Ignasius Jonan (Minister of Energy and Mineral Resources of the Republic of Indonesia); 2) Prof M. Nasir (Minister of Research, Technology, and Higher Education of the Republic of Indonesia); 3) Agus Joko Pramono (Member, The Audit Board of the Republic of Indonesia); and 4) Robert Pakpahan (Director General of Taxes, Directorate General of Tax of the Republic of Indonesia). Representatives of ICAEW, CIMA, ACCA, CPA Australia, World Bank Group, state-owned enterprises, and major private entities were also in attendance.

Public Sector Financial Management Conference 2018

 **Nexus Bangsar South, Kuala Lumpur | 10-11 December 2018**



MIA hosted the Public Sector Financial Management Conference 2018, focusing on the theme of “**Upholding Trust and Accountability**” in order to enhance public sector governance. The Conference was organised by MIA and its strategic partners, the International Public Sector Accounting Standards Board (IPSASB) and the Accountant General’s Department of Malaysia, and featured guest of honour YBhg. Dato’ Othman Semail, Deputy Secretary General, Treasury (Management), Minister of Finance.

The Conference featured some distinguished thought leaders and subject matter experts from government, public interest entities and academia. It discussed the latest developments and issues in public sector financial management, such as the implementation of accrual accounting, the transformation and upskilling of the government finance function, the adoption of integrated reporting to heighten the transparency of public sector reporting, and the potential impacts of digital transformation on the public sector. Ian Carruthers, Chair of IPSASB, together with John Stanford, Technical Director, IPSASB, provided the newest updates on IPSAS standards and their impacts, including accounting for social benefits and non-exchange revenue and expenses.

AFA as one of the supporters of the Conference recognised the importance of public sector accounting as one of the elements in building a stronger and accountable public sector financial management in the region.

AFA Secretariat Activities

AFA Secretariat, Jakarta | January – December 2018

AFA Executive Director (ED) attended several activities in Jakarta as part of the AFA Secretariat cooperation with IAI and other stakeholders in the country. Participation in these activities are aimed at continuous building of stakeholders and public awareness towards AFA and its activities in the region.

Indonesian Institute of Sciences FGD on Migration of Skilled Workers



The Indonesian Institute of Sciences conducted an FGD on regional migration of skilled workers. The accountancy profession was identified as one of the professions in the ASEAN region that currently implements the ASEAN MRA as a platform to facilitate mobilisation of qualified professional accountants between ASEAN countries. Among the key variables to support mobility of skilled workers that have been identified are harmonisation of qualifications and certifications, and mutual recognition between countries.

AFA ED shared some of the Federation's initiatives to support the ASEAN initiative to facilitate mobility of skilled workers in the region, mainly through; capacity building of Professional Accountancy Organisations and accountants in the region, and adoption and implementation of international standards as a mean to harmonise the accountancy profession in the region.

Universitas Indonesia Accounting Fair 19



AFA ED together with IAI was invited to participate at the Universitas Indonesia Accounting Fair 19, held at the KPMG Indonesia training facility in Jakarta. The fair consisted of a series of events culminated in an accounting competition that focused on discussion of IFRS 16 Leases. More than 20 teams of three students from universities around Indonesia, Malaysia, and India participated in the competition. AFA ED together with representatives of IAI, Universitas Indonesia, and KPMG participated as judges for the competition. Students were actively discussing various aspect of the standard.

Nagoya University Research Visit

AFA Secretariat together with IAI welcomed researchers from the Nagoya University. Dr Osamu Matsuda and Dr Hiroshi Yoshida visited the Secretariat to learn more about the development of the accountancy profession, and adoption and implementation of standards in Indonesia and in the region. Joining the discussion was Mia Nainggolan (Technical Director, IAI).



Some of the key focuses that the researchers were interested in are implementation of the ASEAN MRA on Accountancy Services, current adoption and implementation of IFRS Standards and IFRS for SMEs, and the different qualifications and certifications (particularly CA and CPA) available in the region. The visit was part of the researchers' safari in the region, to meet with relevant stakeholders in Indonesia, Singapore, Malaysia, and Vietnam, to gather more information about status of the accountancy profession in these countries.

Limited FGD on IAESB ICT Consultation Paper



Supporting IAI, AFA ED was involved in a limited FGD to discuss the IAESB consultation paper on Information and Communications Technology (ICT). Representing IAI was Prof Sidharta Utama who is also a Board Member of the IAESB. The discussion focused on the elements of ICT that have been identified as part of the preliminary consultation and analysis of the IAESB: business acumen, behavioural competence, digital acumen, data interrogation, synthesis and analysis, and communication.

The discussion also focused on key questions focusing on how ICT may (or may not) have affected accounting education. IAESB continues to seek further inputs and comments from stakeholders in the region and contribute to the future accounting education standards.

IESBA Member Visit to Indonesia



Sylvie Soulier, member of the International Ethics Standards Board for Accountants (IESBA) visited Indonesia and meet with representatives of key stakeholders in the country. She was invited by the Ministry of Finance of Indonesia to participate at the ASEAN Audit Regulators Group (AARG), attended by representatives from 12 countries around the region, held to support the enhancement of the quality of public accounting firms in Indonesia and improve public trust towards the audit.

As part of her activities in Indonesia, she visited the IAI office in Jakarta to meet the Council Members of IAI, representatives of the Institut Akuntan Publik Indonesia (Indonesian Institute of Certified Public Accountants – IAPI), and AFA ED.

Taking advantage of her presence in the country, IAI hosted a CPD event focusing on the 2018 IESBA Code of Ethics for Professional Accountants. More than 50 participants participated in the event, aimed at further building public awareness towards the Code and its equivalent applied in Indonesia, and sharing the latest development of the Code that will reshape how ethics will be seen and implemented by the profession. The session was led by Emil Bachtiar, Chairman of the IAI Ethics Board, and moderated by Irsan Gunawan, member of the IAI Ethics Board.

Ministry of Commerce of Thailand Visit to Indonesia



IAI welcomed delegates from Thailand led by representatives of the Ministry of Commerce of Thailand. The delegation of more than 20 participants consisted of representatives of the Department of Business Development of the Ministry of Commerce, Associate of Certified Thai Accounting Practices, and accounting services providers in Thailand.

IAI, represented by its Council members and executive management, shared information about the Institute and their professional development activities in Indonesia. Also presented was information about the Chartered Accountants (CA) Indonesia qualification.

AFA, represented by the AFA Executive Director, shared some information about AFA that covers membership, objectives, and activities in the region. Participants expressed interest on obtaining access to the soon-to-be published AFA Research Report and other publications of the Federation.

Discussion among the participants focused on among other regulations supporting the accountancy profession, development activities, and similarities and key differences between the profession in Indonesia and Thailand. Participants recognised the need for stakeholders in ASEAN member states to encourage sharing of up-to-date information on the profession, potentially through the ASEAN PAOs who are members of AFA.

AFA Working Committee Activities



First established in May 2017 at the 124th AFA Council meeting, the AFA Working Committees have been working with the AFA Council, leadership and Secretariat towards the Federation's strategic objectives and priorities. As identified in its inception, the AFA Working Committee is a realisation of AFA's aspiration to strengthen collaborations with the AFA member organisations and relevant stakeholders in the region.

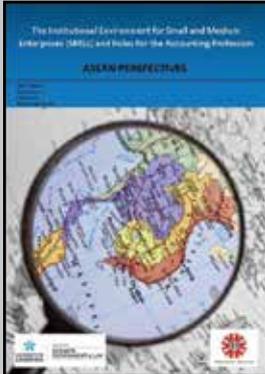
Focusing on efforts in leading, encouraging, and contributing to adoption and implementation on international standards in the region, the AFA Working Committee 1 under the leadership of Chair Kon Yin Tong has identified and through AFA, participated and contributed to several activities in the region. Activities on IFRS, such as AFA's contribution to the IFRS transition project with the World Bank, MIA, and LCPAA, are still a priority for several countries in the region.

Given the mandate of realising AFA's aspiration to be a regional thought leader on issues relevant to the accountancy profession, AFA Working Committee 2 has been focusing on working with the researchers on the AFA Research Report 2018. Following the report launch in November 2018, the Committee is now working on the key findings and recommendations identified in the report and prepare for the AFA Research Grant 2019 initiative, ready for launch in first semester of 2019.

AFA Working Committee 3 continues to focus its activities on working with developing PAOs in the region, both in term of building their capacity and supporting their aspiration to be a member of IFAC. The Committee recognises the importance of building a strong and sustainable PAO, through collaborations with relevant stakeholders such as IFAC and development bodies. An example would be the development project in Myanmar, where AFA supported MICPA's cooperation with ACCA in building the blueprint for MICPA as the recognised PAO in the country.



AFA RESEARCH REPORT 2018



AFA recognises the potential of Southeast Asia to be one of the largest economies in the world by 2030, with projected growth of 5% per year, from the GDP of US\$2,765.8 billion (3.5% of the world GDP) in 2017. SMEs serve as a foundation in achieving this projection, accounted for between 88.8% and 99.9% of total establishments and between 51.7% and 97.2% of total employment in the ten ASEAN Member States (AMSs).

At the AFA – CAPA Joint Forum 2018 in Sydney, AFA launched the AFA Research Report 2018. The report is a culmination of AFA's aspiration to be a regional thought leader on issues relevant to the accountancy profession and stakeholders in the region, one of AFA's priorities for the period. The research was conducted by researchers of the School of Information Systems and Accounting – Faculty of Business Government and Law, University of Canberra, as the recipient of the AFA Research Grant 2016.

Taking the title of The Institutional Environment for Small and Medium Enterprises (SMEs) and Roles for the Accounting Profession (ASEAN Perspectives), the report highlighted AFA's contribution to regional discussion on the ASEAN SMEs and the supporting role of the accountancy profession.

Definitions of ASEAN SMEs

The report identified significant issues on inconsistent and arbitrary definitions of SMEs – within and between countries, across regulatory bodies, government departments, and professional institutions. Differences in existing laws, rules and regulatory frameworks, as well as the nature of Southeast Asia as a politically, socially, and economically diverse region, likely to make any effort to negotiate and adopt a common and coherent regional definition difficult.

Accounting for ASEAN SMEs

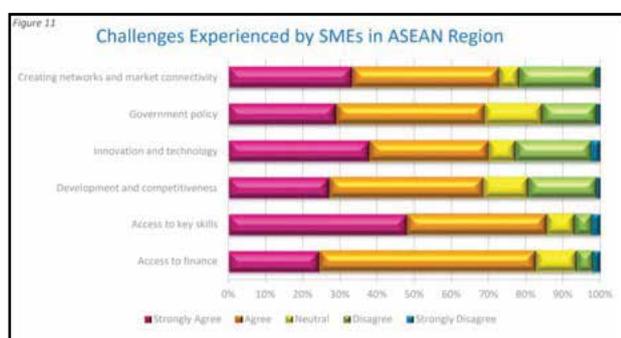
Based on survey conducted as part of the research, micro and SMEs collectively represents 90% of public accountants' clients, in line with the proportion of the sector compared to the region's economy. Whilst these SME clients represent over 75% of the firms' revenues for 40% of the respondents, it is worth noting that the 10% (large clients) represents up to 50% of the revenue for most practices.



The report pointed out common challenges faced by ASEAN SMEs, including lack of skills to understand, prepare and utilize financial information for business decision making and to add value to firms through strategic partnerships and business expansion. Traditional issues such as limited access to basic business skills, financing, innovation and technology, and incompatibility of government approaches to SMEs remain persistent, particularly for micro entities.

The report acknowledges accountants' role in leading the development of financial literacy in the region, particularly with support from regional body and PAOs. The accountancy profession can facilitate cooperation between Government, PAOs, and key stakeholders, to assist SMEs in term of business advisory services, accessing basic reporting skills, taxes and other management issues confronting practitioners in the SME sector.

Accountants as Trusted Business Professionals of the SMEs



The report confirmed concerns examined by previous work in this area. Surprisingly however, and perhaps due to the significant attention this area has received, access to finance does not emerge as the foremost challenge anticipated by accountants servicing the ASEAN SMEs. While 80.53% of respondents agreed that SMEs faced challenges related to finance, this was surpassed by access to key skills, with 84.91% agreement, as can be found among others in Brunei Darussalam and Indonesia.



The AFA Research Report 2018 is a publication of AFA, supported by ACCA and CA ANZ. The report can be downloaded from the AFA website: <http://www.aseanaccountants.org>

AFA STRATEGIC PLAN

At the 121st AFA Council meeting in February 2016, the AFA Council approved the AFA Strategic Plan 2016-2019: Building Regional Capacity, Supporting Global Endeavours. The document identifies AFA's strategic objectives, key activities and outcome, and their priorities. The approved plan reflects the Council's priorities and serves as the foundation for AFA in conducting its activities for the period.

As an accredited CSO of the ASEAN, AFA recognises ASEAN as its key stakeholder in the region. The plan acknowledges the importance of the accountancy profession in the region to support regional such as adoption and implementation of the ASEAN MRA on Accountancy Services, as a platform for harmonisation of the profession in the region, facilitating movements of qualified professional accountants between the ASEAN Member States.

Global Recognition as the Regional Accountancy Body of the ASEAN and Advocate on Public Interest Issues for the Region

An integral part of the plan is AFA's aspiration to be recognised as the region's body for the profession, reflection of the Federation's vision. Through introduction of initiatives and collaborations such as the AFA Research Grant, AFA co-hosted events and activities, and publication of the AFA Connect and increasing presence in social media platforms (Twitter, LinkedIn, and Facebook), AFA continues to position itself as the umbrella body for the accountancy profession of Southeast Asia.

Promote and Facilitate Adoption and Implementation of International Standards, and Support Member Bodies to Develop Expertise in Other Key Areas

AFA continues to recognise adoption and implementation of international standards as one of its key priorities for the period. Together with the AFA member organisations and relevant stakeholders in the region, AFA held regional events and activities promoting the standards. Historical visit of and participation from IASB in Lao PDR during the 20th AFA Conference, and discussion on audit and quality assurance at the KICPAA – AFA Conference 2018 are some of the examples of activities conducted in the region.

Support and Facilitate AFA PAO Capacity Building and Membership

A key priority of AFA is to contribute to AFA member organisations' capacity building efforts. AFA acknowledges that stronger ASEAN PAOs will lead to a stronger ASEAN accountancy profession. AFA continues to work with the members in pushing for and maintaining their membership with IFAC, a benchmark of a strong PAO that participates in local, regional, and internal development of the profession. AFA also continues to promote the use of international best practice and thought leadership resources in building the capacity of the PAOs and the profession in the region.

Support and facilitate high quality accountancy practices through knowledge, ideas and resources sharing. AFA has long identified resource sharing as a key element of a strong collaborative-based grouping of PAOs. The use of technology as a platform for sharing continues to be the trend for AFA, through the AFA website and social media platforms, in addition to biannual publication of the Federation, the AFA Connect. AFA also continues to build awareness towards resources available for members and accountants in the region, such as by establishing link to a global resource sharing platform such as the IFAC Global Knowledge Gateway.



AFA Connect

The AFA Connect is a biannual publication of the Federation, serving as a platform of communication for AFA and its member organisations in sharing their views on issues relevant to the accountancy profession in the ASEAN region. In 2018, AFA published two editions of the AFA Connect.

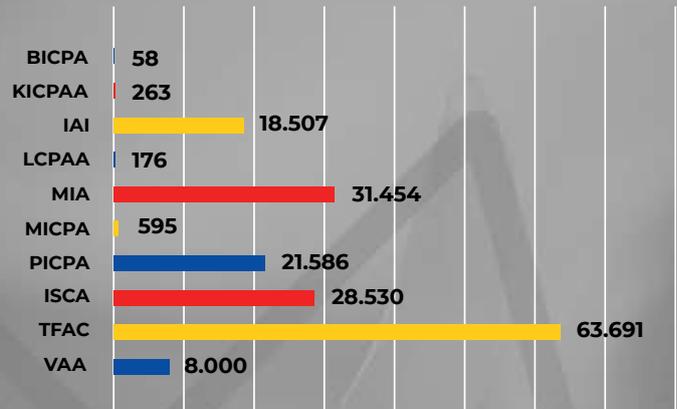
AFA CONNECT 01 (APRIL 2018) highlighted AFA's aspiration to be a regional thought leader on issues relevant both to the profession and stakeholders in Southeast Asia. SMEs have long been recognised as the backbone of the region's economy. AFA acknowledges the role that accountants, especially the SMPs, can play in supporting the SMEs to contribute to achievement of the region's potential to be one of the largest economies in the world. Included in the publication is an article on the AFA Research Report 2018, written by researchers of the University of Canberra.

IN AFA CONNECT 02 (DECEMBER 2018), AFA reiterated its commitment to support implementation of the ASEAN MRA on Accountancy Services, as a key regional initiative of the ASEAN. The publication highlighted progress of the implementation from the point of view of AFA, ASEAN Secretariat, and the ASEAN CPA Coordinating Committee. Among the aspiration brought by the initiative is to facilitate movements of skilled professional accountants among the ASEAN Member States. ACCA provides an article on the global business of skilled migration, including a spotlight on the ASEAN region.

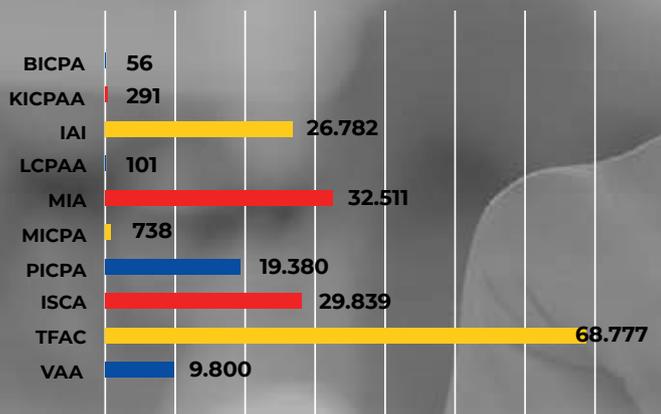
ASEAN ACCOUNTANTS IN NUMBERS



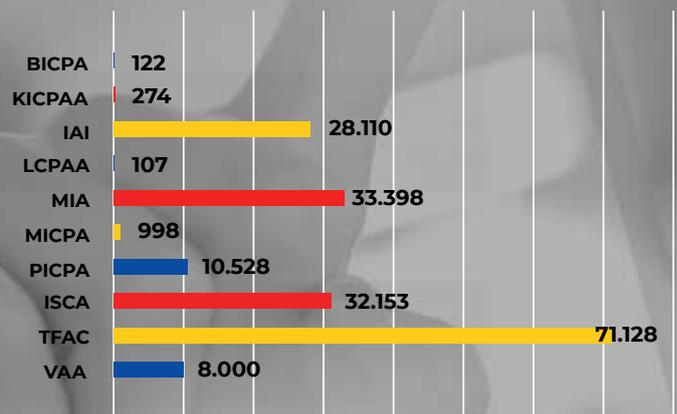
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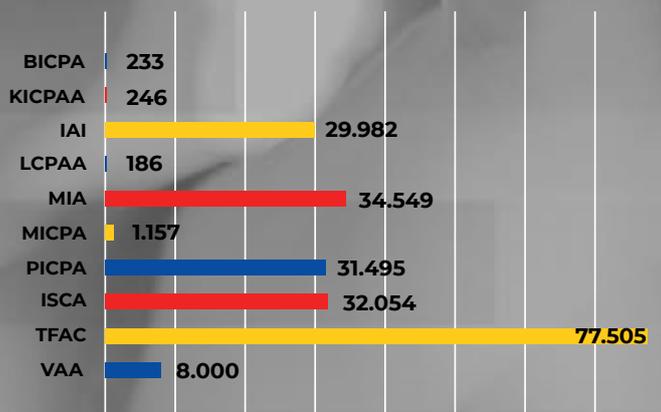
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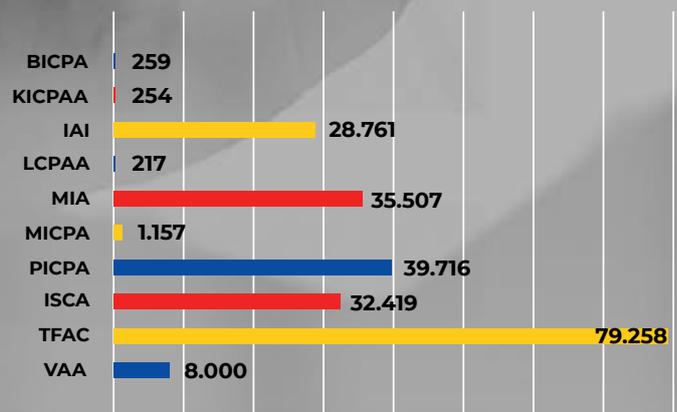
2015



2016



2017



2018



news from around
THE REGION

BICPA



Members: 259



The Brunei Darussalam Institute of
Certified Public Accountants
(BICPA)

BICPA Academy at the Higher Education Expo 2018

The BICPA Academy participated in the Higher Education Expo 2018 at Bridex in February 2018. The event, organised by the Ministry of Education, was officiated by the Minister of Education The Honourable Dato Seri Setia Awang Haji Hamzah bin Haji Sulaiman. The expo's main focus is to become a One Stop Information centre on Higher Education. During the event BICPA showcased the ACCA and CAT programs.



The Minister of Education at the Higher Education Expo in discussion with BICPA Council member



BICPA's booth at the Higher Education Expo

Brunei Darussalam Accounting Standards for Non-Public Interest Entities (BDAS)

The Brunei Darussalam Accounting Standards for Non-Public Interest Entities issued by the Brunei Darussalam Accounting Standards Council came into effect for all non-public interest entities on 1st January 2018.

Other Activities

The Academy continues with the awareness program throughout 2018 by giving talks to the national public and private schools. BICPA gave a talk to Politeknik Brunei students on the accounting profession and the various routes to obtaining the ACCA qualification. The Academy placed its CAT students at various employers so as to provide them with practical accounting related work experience. These placements are for 1 year.



BICPA provided the 'Practical Guide to General Basic Accounting Workshop' for the Tabung Amanah Pekerja and a bookkeeping course for small and medium enterprises (SMEs) for Darussalam Enterprise. The Bank Islam Brunei Darussalam signed 2 employees for the ACCA course with BICPA's joint venture accountancy academy.

ACCA Director for Asia Pacific and other ACCA representatives met with BICPA to discuss how we can enhance our collaboration with ACCA. BICPA sent two representatives to attend the AFA Conference in both Phnom Penh, Cambodia and Sydney, Australia (in conjunction with World Congress of Accountants). BICPA sent one representative to a Strategic Meeting by AFA in January 2018. BICPA continues to collaborate with IFAC on the accounting profession and related matters.



Continuing Professional Development (CPD) Activities

As part of efforts to continuously maintain and leverage capacity of members and the publics, KICPAA organised training workshops to fulfil members' CPD hour requirement and promote the accountancy profession in Cambodia. From January to December 2018, KICPAA conducted the following CPD workshops, conferences, and other relevant activities:

1. Workshop on transfer pricing;
2. KICPAA – AFA Conference on “Digitalization of Accounting: Supporting ASEAN MSMEs”, held in conjunction with the 126th AFA Council Meeting;
3. CPA Australia – NAC – KICPAA workshop on “Business Sustainability – The Role of Internal Auditors in Governance and Risk Management” and “Cyber Security – Introduction and Top Financial Services Issues of 2018”;
4. 15th Annual General Meeting of KICPAA;
5. MIA – KICPAA – NAC Public Practitioners’ Workshop and MOU signing ceremony;
6. IFRS for SMEs – Keys Practical Approach Workshop;
7. Meeting discussion on Accounting Treatment for Seniority Payment and Presentation of Minimum Tax and Income Tax;
8. CPA Australia – KICPAA – NAC workshop on “Update Code of Ethics (Restructure Code) including Non-Compliance with Laws and Regulations (NOCLAR)” and “Mergers & Acquisitions” (M&A);
9. Workshop on ASEAN MRA on Accountancy: Opportunities and Challenges jointly organized by KICPAA and NAC; and
10. Outreach on the result of “Audit Quality Review 2017-2018 (Pilot): Lesson learnt and Future Work of QA for Audit”.



Capacity Building and Development

KICPAA was undergoing an internal assessment for both the Governing Council and Secretariat as part of its efforts in realizing the Institute's vision, mission, and core values. The action plan for 2018 has been implemented and the progression are being closely maintained. In achieving KICPAA's key strategies, KICPAA implemented key mechanisms and focusing on operational alignment over the next five years (2017-2021). This will put the Institute in a position to effectively and efficiently act to protect public interest the profession, thereby enhancing economic growth of the country.

International Cooperation

To strengthen the internal capacity of KICPAA as well as accounting sector in Cambodia, KICPAA, MIA, and the NAC signed an MOU on the 18 October 2018. The main objectives of the MOU are to recognize the value of promoting mutual cooperation for advancement of the accountancy profession and to strengthen relationship between KICPAA, MIA and NAC.

CPA Australia has offered two partial scholarship to KICPAA and NAC staff to attempt the CPA program and Practice Management. As result of the assessment, two staff from KICPAA have joined the program starting from September 2018.

Quality Assurance

In 2018, Audit Quality Monitoring Committee conducted pilot review exercises on some auditing firms in Cambodia with the support from Asian Development Bank and ICAEW. Nine firms have been reviewed this year which include three PIEs and six SMPs (two are locals and four are foreign firms).

Other Activities

KICPAA Secretariat continues to actively promote the accounting profession through collaboration with the NAC. To promote public awareness about accounting profession in Cambodia, KICPAA has been working closely with the NAC to hold the seminars on "Law on Accounting and Auditing" and "Accounting Profession" to employers, tax official, business owners, entrepreneurs, and university lecturers and students. In 2018, five seminars and workshops had been conducted, with about 1,100 participants in total.

The intensive revision class for P5: Advanced Performance Management in KICPAA – ACCA Joint Examination Scheme have been conducted two times for students in order them to pass their examination. There are about 36 students participated in this 5-day intensive revision class. This revision was jointly organized by KICPAA and ACCA and conducted by Inspired Academy Malaysia on 8-9 September and on 12-14 October 2018.



Kongres XIII Ikatan Akuntan Indonesia



President of the Republic of Indonesia, H.E. Ir. Joko Widodo (Jokowi) supported IAI's program to hasten certification program for accountants in Indonesia. It aims to equip accountants with creativity, skills, innovation, and competitiveness, as expressed by the President at the official opening of Kongres XIII IAI and celebration of IAI's 61st anniversary at Istana Negara (State Palace) in Jakarta, 11 December 2018. The Kongres took the theme of inclusive role of the accountancy profession towards SDGs 2030, highlighting the profession's vision to contribute to the achievement of the SDGs in 2030.

According to Jokowi, certification of accountants will drive the creation of a financial ecosystem that is accountable, efficient, and fast. He acknowledged the important role of accountants in supporting sustainable development, recognising the need for transparency and accountability as key principles for any prospering country. "This is where the accountants can play a central role in, so that our finance can be managed properly" according to the President.

During the official opening of the Kongres, President of the National Council of IAI, Prof. Mardiasmo, in front of Jokowi, presented a report on IAI's many efforts in enhancing the professionalism of human resources in Indonesia. Through the Chartered Accountant (CA) Indonesia designation, as an internationally recognised identity for Professional Accountant in Indonesia, IAI will continue to be at the forefront in the creation of a strong accountancy profession with integrity.

IAI 61st Anniversary – International Seminar



As part of the celebration of the 61st anniversary of IAI, the Institute held the IA International Seminar with the theme of “Beyond 2030: Embracing Revolutionary Changes of Global Environment”. IAI is proud to have the newly appointed IFAC President, Dr. In-Ki Joo, sharing his view in front of 1,500 professional accountants from all over Indonesia. Together with Russell Guthrie, IFAC CFO and Executive Director – External Affairs, Dr. Joo also participated in the Aspiring Professional Accountants (APA) Event 2018, attended by more than 300 accounting students around Indonesia. His participation has officially continued the tradition of IFAC President participating in IAI major events.



A number of speakers who attended the seminar were national figures with professional accounting background, such as the Minister of Energy and Mineral Resources, Ignasius Jonan, the Minister of Research, Technology and Higher Education, Prof. M. Nasir, the CEO of Indonesia Television, Helmy Yahya, and also the Head of the Audit Board of Indonesia, Prof. Moermahadi Soerja Djanegara. Call it full house, the Minister of Finance of Indonesia, Sri Mulyani Indrawati also complete the celebration of 61st Anniversary of IAI by giving her speech during the Gala Dinner. Professional Accountants together with the national stakeholders are a key element in ensuring optimal attainment of continuous development objective to create a prosperous and fair society.

IAI Leadership for Period 2018 – 2022



IAI successfully held the Kongres XIII IAI in Jakarta on 11-13 December 2018 in Jakarta. An important part of the Kongres was the IAI members general meeting, with election of the IAI National Council as one of its agendas. More than 1,000 members casted their vote to decide the future of IAI and the accountancy profession in Indonesia. Members re-elect Prof. Mardiasmo to be the President of the IAI National Council for the period of 2018-2022. Prof. Mardiasmo currently serving as the Vice Minister of Finance of the Republic of Indonesia.

The IAI National Council was also given a mandate to establish a comprehensive plan based on the objectives that will define the future of the Institute and the accountancy profession in Indonesia. The plan has been manifested into the IAI Initiative 6.1, a roadmap/architecture for accountants and the profession in Indonesia, in responding to new challenges and opportunities that come with the global disruptions and changes in the economic landscape.

LCPAA



Members: 217



In 2018, LCPAA continued to improve and strengthen its organisation, steadily growing to respond to the increasing demand from members and stakeholders in Lao PDR. LCPAA also made significant step in becoming a part of IFAC, to allow and further drive the organisation's capacity, and increase its active participation at the international level. LCPAA also continues to explore potential collaborations with regional and international professional accountancy organisations and educational institutions, to continue developing the accountancy profession in Lao PDR. In 2018, LCPAA membership has increased from 186 to 217 members.

LCPAA Annual Meeting



On 17 August 2018, LCPAA organized its annual meeting for 2017, co-chaired by Dr. Phirany Phissamay, President, LCPAA and Mr. Sonexay Silaphet, Vice President, LCPAA. Individual and entity members participated in the meeting.

LCPAA 20th Anniversary



LCPAA celebrated its 20th anniversary, with honorary participation from Deputy Minister of Finance, Mr. Asaphangthong Siphandone. More than 100 participants participated in the celebration. In the event, LCPAA expressed its gratitude to those who have made significant contributions to the work and the growth of LCPAA since its establishment by handing over certificates to former Council Board members and outstanding members of LICPA, Lao CPA instructors, and Vice President Silaphet, for his successful tenure as the President of AFA for the period of 2016-2017.

Capacity Building Activities



LCPAA in collaboration with the Accounting Department of the Ministry of Finance, with financial support from the World Bank, and technical support from CSOEC, French professional accountancy body, organised a Train-the-Trainers (TTT) program on Lao Financial Accounting Standards (LFRS). The TTT was successfully conducted in four sessions, in 25 days during Mid-June to Mid-September 2018.

LCPAA also collaborated with ACCA, in conducting a TTT program for trainers of Lao Certified Public Accountants for the Strategic Professional ACCA qualification. 30 days of course delivery in total was completed in June and July in Lao by INSPIRE. A total of 18 LCPAA instructors participated in the program.

Enhancing Global Recognition and Widening Networks



LCPAA continues to work with local, regional, and international stakeholders, in conducting various development activities in Lao PDR. On 9-11 May 2018, LCPAA co-organised a workshop with Sripatum University of Thailand (SPU) and National University of Laos. The workshop was divided into two different groups as a group of working adults and students participated by 150 participants in total.



On 29 May 2018, LCPAA, CPA Australia (CPAA) and PWC Laos held a joint workshop on Business Sustainability- Role of Internal Auditors in Governance and Risk Management. The workshop looked at how professional can perform an effective internal audit of financial statement. LCPAA also co-organised an international workshop with CPA Australia and KPMG Lao in 26 November 2018, on Mergers and Acquisitions and Corporate Governance.

MOU Signing with Education Institutes and Professional Accounting Organisations



In 2018, LCPAA entered into several cooperation arrangements with local and international partners. On 3 July 2018, LCPAA signed a Memorandum of Understanding (MoU) with the Singapore University of Social Sciences (SUSS) at National University of Laos. Moreover, LCPAA also signed an MoU with ICMA to strengthen corporation between the two sides in professional development and professional community in Lao PDR.

Other Development Activities

LCPAA conducted a short training and the 2nd aptitude test to become a Lao CPA on 28-30 April 2018. The test was organized as a written test after each short training session of each business-related laws. LCPAA also opened a Certified Public Accountants qualification program called CPA Batch XIV on 10 November 2018, with 120 students registered in the training program.

Throughout the year, LCPAA has provided training for four subjects in fundamental and professional level for its 140 students in batch XII, provided five subjects in foundation level for student in batch XIII, and one subject for student in batch XIV.



MIA



Members: 35,507



Throughout FY2018, the Malaysian Institute of Accountants (MIA) steadily advanced our overarching purpose of regulating and developing the accountancy profession to support nation building.

Future-proofing Accountants

To bridge the profession's digital competency gap and encourage technology adoption, MIA organised pivotal technology-oriented initiatives.

Themed “**Riding the Digital Wave, Leading Transformation**” the Malaysian International Accountants Conference (MIA Conference) 2018 communicated the impacts of digital disruption and Industrial Revolution 4.0 on the profession and advocated for accountant-led transformation. The MIA Conference 2018 also set a new record, drawing 3,119 delegates who are largely Malaysians and from the Asian Pacific Regent, compared to 2,980 delegates for MIA Conference 2017, officially certified as the ‘largest gathering of accountants in a single event’ by the Malaysia Book of Records.



Deputy Minister of Finance, Ministry of Finance, YB Dato' IR Haji Amiruddin Hamzah (third from left) officiating the MIA Conference 2018. Also, at the ceremony are (from left) MIA President, Salihin Abang, Accountant General of Malaysia, Datuk Saat Esa, Cruzr the humanoid robot, MIA Chief Executive Officer, Dr Nurmazilah Dato' Mahzan, MIA Registrar, Sudirman Masduki.



MIA Chief Executive Officer, Dr Nurmazilah Dato' Mahzan, International Federation of Accountants (IFAC) President, Rachel Grimes, MIA President, Salihin Abang, MIA Past Vice President, Dato' Narendra Kumar Jasani.

The inaugural MIA AccTech 2018 Conference exposed members to critical industry best practices in technology, supported by the launch of the MIA Digital Technology Blueprint that guides members to adopt appropriate technologies.

To encourage members to embrace digital in all forms, MIA migrated its members' bimonthly publication Accountants Today from print to an online format which can be accessed at www.at-mia.my.

Strengthening Ethics and Compliance, Advocating Good Governance

In order to protect the public interest, the Institute cracked down harder on errant members and bogus accountants through proactive enforcement and collaboration with fellow regulators.

To elevate public sector financial management and governance, MIA organised the Public Sector Financial Management Conference 2018 themed “**Upholding Trust and Accountability**” with our strategic partners, the International Public Sector Accounting Standards Board (IPSASB) and the Accountant General’s Department of Malaysia.



Deputy Executive Director MIA Professional Practices & Technical, Rasmimi Ramli, Chair of the International Public Sector Accounting Standards (IPSAS) Board, Ian Carruthers, Technical Director of the International Public Sector Accounting Standards (IPSAS) Board, John Stanford

MIA also organised the Trust & Integrity Conference 2018 themed “**Accountability, Integrity and Trust**” to strengthen accountants’ ethical foundation, and facilitated a visit by senior executives from the International Ethics Standards Board for Accountants (IEASBA) to discuss the completely rewritten Code of Ethics for Professional Accountants at a complimentary members’ event.

To enhance audit quality and strengthen SMP compliance, MIA successfully published the 2nd edition of the MPERS Illustrative Financial

Statement, trained over 1000 auditors at workshops utilising the Illustrative Audit Working Papers (IAWP) and Audit Guide for Practitioners (AGP), expedited the Practice Review process and completed 6 Quality Assessment Programmes (QAP) jointly with MICPA.

MIA continued to advocate for the development and adoption of integrated reporting <IR> to elevate corporate reporting, successfully publishing our second integrated report for FY2018 reiterating **#nationbuilding**.

Enhancing Global Linkages, Driving Value

MIA hosted the International Public Sector Accounting Standards (IPSAS) Board for its final meeting and a high-level roundtable discussing key IPSAS issues such as accounting for social benefits.



The International Public Sector Accounting Standards Board (IPSASB) held its final quarterly meeting in Kuala Lumpur from 4-7 December 2018. Hosted by Malaysian Institute of Accountants, the meeting was attended by more than 55 participants from 20 countries.

Together with the Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) and the National Accounting Council (NAC) of Cambodia, MIA spearheaded a Public Practitioners’ Workshop in Phnom Penh in conjunction with an MOU Signing between the three parties.

Pushing forward its talent development agenda for nation building, MIA initiated its inaugural MIA Islamic Finance Mini Pupillage programme in 2018 to broaden the pool of accountants able to contribute to developing the key sector of Islamic finance.

Outlook for 2019

Moving ahead, the Institute is committed to accelerating our pace of development and regulation to build a more sustainable profession that in turn supports Malaysia and ASEAN's global competitiveness and resilience.

For 2019, MIA will engage more closely with the Government to strengthen the Accountants Act 1967, the key regulation that mandates our powers.

We will continue to support the Government's ongoing adoption of accrual accounting and MPSAS to enhance public sector financial management and heighten good governance.

To support market demand for accountancy professionals and the continuing growth of the ASEAN Economic Community, MIA will work to increase the cohort of ASEAN CPAs for 2019.

Importantly, MIA will continue to advocate for integrity, accountability and trust, in order to deliver the best value for our stakeholders, support nation building, and protect the public interest.

For more on MIA's ongoing journey, read our story in our integrated report at https://www.mia.org.my/v2/discover-mia/Annual_Report.aspx.

Publications by MIA:

- MIA Digital Technology Blueprint
(https://www.mia.org.my/v2/downloads/resources/publications/2018/07/12/MIA_Technology_Blueprint_Spreads_format.pdf)
- Competency Framework for CFOs in Public Interest Entities
(https://www.mia.org.my/v2/downloads/resources/publications/2018/07/20/MIA_Compentency_Framework_for_CFO_in_Public_Interest_Entities.pdf)
- 2nd edition of the MPERS Illustrative Financial Statement

MICPA



Members: 1.157



In 2018, MICPA continues to explore various development opportunities through cooperation with other professional accountancy organisations, development bodies, and stakeholders with interest in developing the accountancy profession in Myanmar.

Participation in Local, Regional and International Activities



Throughout the year, Executive Committee (EC) members of MICPA actively attended several local, regional, and international meetings and conferences, such as the AFA Council meetings, ASEAN Coordinating Committee on Services (CCS) meetings, 20th World Congress of Accountants, MIA International Accountants Conference, ISCA PAIB Conference, and IAI Congress XIII. MICPA in collaboration with respective Government counterpart in Myanmar also hosted the 91st CCS meeting in Nay Pyi Daw on November 2018.

The EC also participated in various local discussions, providing advice on deliberations of various Laws and regulations. MICPA EC provided inputs to the Union Taxation Law 2018, new Myanmar Insolvency Law, Income-tax Appellate Tribunal Law, growth of Yangon Stock Exchange, and Law Amending the Union Auditor-General Law.

Development Activities in Myanmar



MICPA EC conducted ten meetings in 2018 to discuss various matters relating to the development of professional accounting in Myanmar, including IFRS adoption and convergence (especially at the initial stage, problems and challenges to be faced thereby, and how to solve them), conduct of CPD seminars to update the qualifications of members, as well as projects on QA for audit and Capacity-building to be undertaken with financial assistance from the Asian Development Bank (ADB) and Department for International Development (DFID).

MICPA also conducted in total 19 CPD seminars covering IFRS, ISQC, Taxation Law, stock market issues, financial operation and management with SAP-BI, IESBA Code of Ethics, etc. Six workshops were conducted throughout the year on IFRS 9, IFRS 15, ISCA's Audit Manual for Standalone Entities, and stock exchange training together with Daiwa and JICPA. More importantly, together with IFAC and ACCA, MICPA also hosted a workshop on its capacity building strategy, discussing plan on how the accountancy profession will move forward in the future.



MICPA has signed an agreement on capacity building project in Myanmar with ACCA, who are conducting the project on behalf of IFAC. AFA has also been invited to provide inputs to the project. One of the outputs of the project is a five-year strategic plan, which has been approved by the Project Advisory Group and now currently being reviewed by IFAC. In addition, MICPA also signed three Memorandum of Understanding (MoU) with ICMA, ADB, and JICPA, with possibility of additional MOUs to be signed with CPA Australia and AAT in the near future.

MIA planned to conduct a Quality Assurance for Audit project for Myanmar, carried out by ICAEW, funded by the ADB. Unfortunately, the project could not be commenced in time due to budget lapse. ADB is looking to propose a new project scope, which may include IFRS adoption assistance.

Myanmar Commerce Fair 2018

The First Commerce Fair 2018 was jointly organised by the Office of the Auditor-General, Myanmar Accountancy Council, MICPA and Commerce Graduates Association Myanmar was held on 1-2 December 2018 with the slogan "Together for the Nation's Socio-economic Development.". The Fair is aimed at helping the country to take off into sustained economic growth by holding panel discussions covering a wide range of topics, such as current economic affairs in Myanmar, trade policy, taxation, banking and finance, investment and companies affairs, etc. on which regulators, industry leaders, policy-makers, academics, and so on were invited to speak



MICPA participated in the discussion, represented by Mr. Win Thin, acted as Panelist and Chairman U Wan Tin, as moderator of panel discussions on Investment and Companies Affairs, while Vice-Chairmen Dr. Tin Latt and Mr. Moe Kyaw participated as Panelists on Myanmar Taxation and Future Policy. Also Vice-Chairmen Dr. Tin Latt, and Mr. Moe Kyaw, Secretary Mr. Aung Naing Maung Maung and Member Mr. Nay Lin Aung acted as Panelists

on Implementation of IFRS and ISA at the Fair. Over 20,000 people visited the 2-day Fair where 150 exhibitors showcased their products and advertised their training courses on accounting, business management, as well as their accounting and consultancy services.



This report covers the last semester of the Fiscal Year (FY) 2017-2018 term of Atty Zenaida Alcantara and the first semester of the FY 2018-2019 term of Ms. Maria Asuncion Golez, PICPA, being on a fiscal year basis. The theme for FY 2017-2018 was "SHINE" which stands for Service, Honesty, Innovation and Nation-Building through Education while the theme for the current FY 2018-2019 is "Promoting Integrity. Advancing Excellence.". Before the start of every Fiscal Year, an Annual Planning Conference is held gathering National Directors, Geographical Area Chairs, Regional Directors, Chapter Officers and Committee Chairs from all over the country to set the directions and the thrusts for the FY.



Cavel Turnover from Outgoing to Incoming President.



Annual Planning Conference Working Committees.

The traditional yearly Accountancy Week Celebration (AWC) was held on 15-21 July 2018 all over the country, in collaboration with the Professional Regulatory Board of Accountancy (PRBOA) and the four (4) sectoral organizations, the Association of CPAs in Public Practice (ACPAPP), Government Association of CPAs in Government (GACPA), National Association of CPAs in Education (NACPAE) and the Association of CPAs in Commerce and Industry (ACPACI), acclaiming the important roles that CPAs play in nation-building. During the 2018 AWC, the PICPA Mission, Vision and Core Values were modified to make them attuned to globalization and the digital age during the Summit of PICPA Past National Presidents and Leaders held on 5 July 2018.



The Annual National Convention (ANC), the 3-day event was hosted by Negros Occidental Chapter on 22-24 November 2018, attended by around 4,863 CPAs. Topics discussed during the ANC included the future and digitisation of the accounting profession and its impact on the accounting professionals and financial accounting systems; updates on government procurement law as well as AMLA; key challenges of IPSAS implementation; and other relevant issues affecting the profession.



73rd PICPA Annual National Convention in Bacolod.



PICPA National Awardees at the Annual Convevention.



Conferences were held in various areas in the Philippines in 2018 such as at the Central Luzon Region on 3 February, Eastern Visayas Region on 2 March, Northern Luzon Region on 21-22 April, Southern Mindanao Region on 5-6 May, Metro Manila GAO Summit for Public Practice on 17 August, and Luzon GAO Summit for Commerce and Industry on 14 September. International Conferences were held in Dubai by Southern Tagalog Region on 19-23 January, by Metro Manila Region in Sydney, Australia on 23-27 May; and VISMIN Regions in United Kingdom, London on 27-31 May.

Sustaining International Relationships

PICPA is a member in good standing of the IFAC, CAPA, and AFA. On 1-4 November, PICPA attended the council meetings of the three organisations in Sydney, Australia. It is noteworthy to mention that the PICPA-ACCA MOU and PICPA-CPA Australia Members Pathway Agreement were renewed on 5 November and 21 November, respectively. Further, a World Bank-PICPA Memorandum of Understanding (MOU) was signed on 3 October for the project “Capacity Building of Small and Medium-sized Accounting Practitioners (SMPs) providing business support, advisory and compliance services to their Micro-, Small- and Medium-sized Enterprise- Clients (MSMEs) in rural and underserved areas in the country.

Corporate Social Responsibility and Establishing Linkages with Stakeholders

PICPA is an active member of the Alliance for SMEs and continuously participates in “Mentor Me” Program of the Department of Trade and Industry for the capability building of SMEs in the Philippines. Likewise, PICPA collaborates with the Council for Accreditation and Quality Control of Practicing CPAs in bringing the Regulators’ Forum closer to the practitioners. Further, PICPA provides free seminars on finance and taxation to the micro-entrepreneurs in the provinces through the Chapters in cooperation with CARD-MRI. Finally, PICPA collaborates with the Philippine Council for NGO Certification in providing return-of-cost seminars for Non-governmental Non-Stock Non-Profit Organisations.

Advancing Continuing Professional Development (CPD) Program

In accordance with the International Accountancy Education Standards for Professional Accountants on Continuing Professional Development, the Professional Regulatory Board of Accountancy issued Resolution 358-2016, Series of 2016 increasing the required CPD Units to one hundred twenty (120) units and changing the Thematic Areas to Competence areas.

ISCA



Members: 32,419



In 2018, ISCA continued to identify key trends, their impact on the profession, and communicate impending accountancy and business issues to members. ISCA had been proactive in helping members address the issues to prepare them for Industry 4.0.

Singapore Accountancy and Audit Convention Series



The Institute's flagship Singapore Accountancy and Audit Convention comprised a series of events to cater to the needs of our different membership segments, such as Budget Update Seminar, Practitioners' Conference, TechCountx Conference, and Professional Accountants in Business (PAIB) Conference.

The Budget Update Seminar, an annual sell-out ISCA event, covered the highlights of the Budget and shed light on Singapore's economic outlook.

The ISCA Practitioners Conference, organised with strategic partners Accounting and Corporate Regulatory Authority (ACRA) and Singapore Accountancy Commission, was a signature event for the audit profession. The prominent line-up of speakers from the public and private sectors shared how auditors can create a significant impact with the work that they do, to deliver both quality and value to stakeholders.

Enhancing Technical Excellence And Advocacy

As an advocate for members and the profession, ISCA ensures that our views are heard by the relevant authorities through our feedback and commentaries.



ISCA Pre-Budget Roundtable brought together leaders of trade bodies and accounting firms to discuss the Singapore Budget.



ISCA Breakfast Talk sessions provided our members with updates on relevant, trending issues



Members were also kept up-to-date on the latest in financial standards and regulations at the ISCA Ethics Seminar.

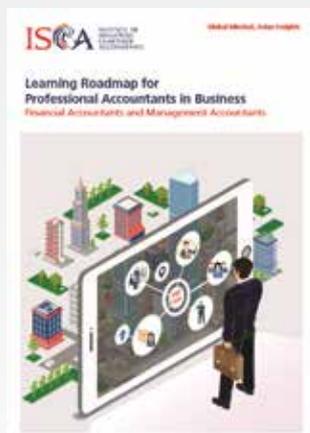
Specialisation Pathways

In keeping with the growing threats of online fraud and to support members, ISCA commenced a new Financial Forensic Accounting (FFA) Qualification in March, aiming to build and shore up capabilities in the financial forensic field and provide a pathway to the conferment of the ISCA Financial Forensic Professional (FFP) credential.

Over the last few years, digitalisation has driven a big data boom. Technologies and smartphones, as well as the increasing use of social media, are resulting in a rapid rise in data volumes. ISCA

partnered the Singapore University of Social Sciences (SUSS) to launch the ISCA-SUSS Business Analytics Certification Programme to help members attain business analytics skills so that they can derive meaning from unprocessed data.

Knowledge And Resources



ISCA strives to equip members with the knowledge and resources that prepare them for a fast-changing world. One way the Institute does this is through our publications, which cover a plethora of topics that are salient to the accountancy profession:

1. PAIB Framework and corresponding PAIB Learning Roadmap
2. SMP Learning Roadmap
3. Fintech Innovation: Perspectives From Singapore and London
4. Cybersecurity Risk Considerations In a Financial Statements Audit
5. Artificial Intelligence: Opportunities, Risks And Implications
6. Risk Culture: How to Get It Right

More of ISCA's publications can be found here: <https://isca.org.sg/tkc/our-future-together/publications/publications/>



Nurturing Young Leaders



The inaugural ISCA Young Professionals Symposium aimed to empower millennials with the knowledge and skills to boost their careers and be ready for future demands.

The panel discussion at the ISCA Young Professionals Symposium focused on how technology innovation is disrupting the workplace.

Supporting SMP Development



Harnessing technology was a key message for ISCA's business study mission trip to the UK, where members attended UK's largest accountancy tradeshow – Accountex UK 2018, and gained advance insights into accountancy tech solutions.



Business sustainability is a common area of concern among the smaller practices. Events like the ISCA Digital Marketing and Leadership Workshop helped SMPs with new ways to brand and market their practices, as well as diversify their services.



Intensifying Global And Regional Prominence



ISCA President Kon Yin Tong, in his capacity as President of ASEAN Federation of Accountants (AFA), spoke at the 2018 World Congress of Accountants and engaged an international audience with insights into doing business in ASEAN.

The Accounting Standards Council (ASC) Board, supported by ISCA, hosted the Asian-Oceanian Standard-Setters Group (AOSSG)'s annual meeting, bringing together 20 standard-setters as well as representatives from IASB and IFRS Foundation.

The AOSSG meeting was a multi-agency event which included IASB Chairman Hans Hoogervorst, IASB Vice Chair Sue Lloyd, Guest-of-Honour Minister Indraneel Rajah, ISCA President Kon Yin Tong and ASC Chairman Kevin Kwok.



Leading Change In The Region



ISCA continues to share our expertise with emerging markets such as Lao PDR, Cambodia and Myanmar. 32 Lao government officials completed a two-week specialist workshop which covered topics like principles of accounting, tax mechanism and public sector financial management. Facilitated by ISCA members, the workshop, which was held in Vientiane, Lao PDR, equipped the officials with skills and knowledge that can be readily applied in their daily course of work.



In Myanmar, through an MOU signed between ISCA and the Myanmar Institute of Certified Public Accountants, we would contribute our expertise and experience towards developing the country's accountancy sector. The Institute commenced training on the overview of ISCA's "Audit Manual for Standalone Entities" (AMSE) with an emphasis on the methodology and forms used, and how auditors can effectively use AMSE to comply with the various requirements during audits. The Institute will continue to step up to help our neighbours develop their accountancy sectors to support economic growth.

TFAC



Members: 79.258



The Federation of Accounting Professions under the royal patronage of His Majesty the King or “FAP” has updated the monogram from “FAP” to “TFAC”. TFAC is an independent organization representing the accounting professions in Thailand. TFAC is a full member of the International Federation of Accountants (IFAC) and ASEAN Federation of Accountant (AFA). Below are some of TFAC’s most significant events for 2018:

TFAC’s 14th Anniversary



TFAC held a ceremony to celebrate the 14th anniversary of the establishment of TFAC (23 October, the date of the establishment of TFAC). Mr. Chakkrit Parapuntakul, President of TFAC, presiding over the ceremony with Professor Wiroj Laohaphan, former President of the Institute of Certified Accountants and Auditors of Thailand, TFAC Committees, and staff attended the ceremony by making worship to Buddha statue and continuing with religious ceremonies on 30 October 2018.

Opening a new Branch and Signing and Academic MoU



On 5 April 2018, Mr. Prasert Wang Ratanapranee, the third Vice President acting as the President of TFAC attended the opening ceremony of Rayong branch office. This branch provides services to members of TFAC in Eastern zone. After that, he signed an academic cooperation memorandum of understanding (MOU) with King Mongkut’s University of Technology North Bangkok. This signing was intended to jointly develop and enhance the accounting profession.

Developing SME Mobile Application



SME mobile application was developed to facilitate SME users for recording transactions that are convenient, fast and easy. Users enter the sales, buying, receiving, and paying information via mobile screen. Then the system will automatically record the transaction according to the accounting standards and will process financial statements. It can submit financial statements to the Department of Business Development as well as following information according to the Revenue Department.



World Standard-Setters Conference 2018



Representatives of TFAC as the professional accounting organization of Thailand, which is one of the members of the IFRS Foundation, attended the World Standard-Setters Conference 2018 held on 1-2 October 2018 in London, England.

Accounting Executive Course



On 24 April 2018, the Federation of Accounting Professions held a training workshop for accounting executives in the theme of “increasing the value and sustainability of the business according to the Thailand 4.0 model” that allowed business sectors to focus on production using environmentally friendly technology. Using renewable energy and adjusting an original concept in production were brought up to cost advantage and reduced the loss of the whole system. There were more than forty participants attending the event at the Grand Center Point Terminal 21 hotel.

Competition for Undergraduate Students in 2018

Each year, TFAC hold two competitions for undergraduate students to stimulate the potential and enhance the competency in accounting knowledge.

1. Thailand Accounting Challenge 2018
2. Thailand Accounting Case Competition 2018



TFAC Open House Seminars for Undergraduate Students 2018

TFAC open house project was aim to prepare students in accounting professions to be ready for their career and dynamic environment.

VAA



Members: 8.000



Vietnam Association of Accountants and Auditors (VAA)

Throughout the year, VAA conducted several strategic and development activities, focusing on matters relevant to stakeholders in the country. VAA has been actively working particularly with regulators in the country, on various regulations relevant to the profession.

Association and Membership Development



VAA's Central Executive Committee issued several resolutions to continue with their efforts in developing the profession. The issues resolutions are on association development, membership development and members quality improvement. In expanding their network in Vietnam, VAA established three new accounting and auditing associations in the locality, including Accounting Association of Dong Nai province (South area), Quang Binh province (Central area) and Nam Dinh province (North area). The Quang Binh and Nam Dinh provinces associations have become members of VAA.

Some of the activities conducted by the associations were focusing on their members, through a number of visits, evaluation (including admission and expulsion). Expulsion was considered for members who are not active in the associations' activities and/or do not comply with the rules of the associations. The associations also organised activities such as congresses and in the year, reorganised their respective committees to set up new strategic orientations, such as the Hanoi Accounting Association, Ho Chi Minh City Accounting Association, and Hai Duong Accounting Association.

Scientific Consulting and Social Criticism Activities



VAA also active in organising, facilitating, and providing comments on various discussions on policies (law, economic, financial, accounting, and auditing) in the country. VAA provided comments on various discussion on laws and regulations before submission to the National Assembly, such Tax Administration Law, Planning Law, Administrative Special Law, and Anti Corruption Law. The Association organised platforms for their members to exchange ideas on these discussions and others such as discussions on financial, tax, and interest rate policies.

VAA also organise ten scientific conferences in 2018, to discuss and comment various policies on finance, accounting and audit, such as policies to develop small and medium enterprises and private economic development, public accounting regime, accounting regime applied to micro enterprises, market development policy for accounting services, property tax policy, and housing tax. Moreover, the Association organised four scientific conferences on innovation of accounting process in the industrial revolution 4.0, digital technology and accounting, management accounting and their applicability in Vietnam, and on adoption of IFRS in Vietnam.

Recognising the importance of working with key stakeholders in the country, the Association together with the State Securities Commission and organised the evaluation and vote on annual reports of enterprises listed on the Vietnamese stock market in two stock exchange organizations: HOSE and HNX. VAA, on coordination with the Vietnam Chamber of Commerce and Industry (VCCI), evaluated business management capacity and competitiveness of Vietnamese enterprises.

Training Activities

The Center for Counseling, Scientific Research and Training of VAA and its members have organized 110 training classes for members. Examples of training conducted in 2018 are training and certification of Chief Accountants, training for examining practicing accountants' certificates and auditors, CPD training for practicing accountants and auditors according to state regulations (40 hours/year), training on updated new regime policies, and professional training for members and accountants such as on IFRS, management accounting, internal audit, and public accounting.

Communication Activities



In its communication with particularly local stakeholders, the Association issues accounting and auditing journals, the Central Association's mouthpiece is released monthly, with a volume of 3.000 – 5.000 copies/month, circulated throughout the country. VAA also uses modern communication platforms such as website and Facebook page, to extend their communication reach. Members are being updated regularly on issues affecting the profession, such as new regime policies. VAA is looking to increase its efforts, in introducing the Association a wider group of stakeholders, via media such as newspapers and financial magazines.

Foreign Affairs

VAA also actively conducted in various regional and international activities. The Association signed Memorandum of Understanding and co-organised activities with foreign professional accountancy organisations such as ACCA, CPA Australia, ICAEW, IMA, IIA, and CIMA. Together with domestic and foreign training institutions, VAA organised scientific seminars and professional training courses.

As a member of both AFA and IFAC, VAA continues to actively involved in various regional and international activities conducted in the region, such as attending the 20th World Congress of Accountants in Sydney.

CPA Australia



Members: 164.695



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 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

Corporate Governance Case Studies Vol 7

Since 2012, CPA Australia in Singapore has partnered Associate Professor Mak Yuen Teen to publish the annual collection of Corporate Governance Case Studies. The 7th edition was released in October 2018 and aimed to foster discussions on governance and transparency in Singapore, Asia-Pacific and beyond.



Malaysia

Asia-Pacific Small Business Survey

CPA Australia published the Asia-Pacific Small Business Survey and held a series of activities including a published opinion piece by Paul Drum, Head of Policy, CPA Australia; a roundtable discussion with academics from local and private universities; and a joint forum with the Malaysia Australia Business Council (MABC).



Vietnam

CPA Australia Celebrated 10th Anniversary in Vietnam Offices

CPA Australia commemorated its 10th anniversary in Vietnam with dinners in Hanoi and Ho Chi Minh City with guests from the Australian Embassy, Ministry of Finance, the State Audit Office of Vietnam, local professional bodies, leading universities and members.

Andrew Hunter, Chief Executive Officer of CPA Australia was presented with a Certificate of Merit signed by Minister of Finance, Mr. Dinh Tien Dung recognizing CPA Australia's support of the accounting and auditing profession in Vietnam.

Joint Workshop with VACPA

CPA Australia collaborated with the Vietnam Association of Certified Public Accountants (VACPA) on a workshop on transfer pricing for both CPA Australia and VACPA members. The workshop provided updates on the guidelines, latest trends and best-practice solutions for any potential transfer pricing issues in 2018 and beyond.

Joint Workshop with VACPA and CAPA

CPA Australia sponsored a roundtable event on public sector financial management (PFM), jointly hosted by Vietnam Association of Certified Public Accountants (VACPA) and the Confederation of Asian and Pacific Accountants (CAPA) which provided a platform for representatives of PAOs in the region, development agencies, regional bodies, and leaders and experts in PFM to connect.

Indonesia

MPA with Institute of Indonesia Chartered Accountant

A Membership Pathway Agreement (MPA) was signed in Indonesia between CPA Australia and the Institute of Indonesia Chartered Accountants (IAI). The agreement was the first of its kind in Indonesia and formalises the existing working relationship between IAI and CPA Australia. Through the MPA, CPA Australia and IAI have pledged to work together to strengthen the accounting and finance profession in Indonesia and Australia.



Tax Update Event Ahead of Indonesian Tax Deadlines

CPA Australia organised a talk titled "Tax Amnesty – The Day After" in Jakarta which attracted representatives of local public accounting firms, university partners and student ambassadors. Presented by Macellinus Wendra CPA (Aust.), Chief Executive Partner, Mcmillan Woods, the session provided information on the new tax regulations implemented by the government following the Tax Amnesty Program 2016.

Laos and Cambodia

Joint Workshop with PwC Laos and LCPAA

CPA Australia worked with Lao Chamber of Professional Accountants and Auditors (LCPAA) and PricewaterhouseCoopers (Laos) Sole Company Limited on a workshop titled 'Business Sustainability and Internal Audit of Financial Reporting' which saw participants from accounting and auditing fields, regulators, banks and financial institutions, members of CPA Australia and local professional accounting bodies.

During the event, CPA Australia and The Lao Securities Commission Office also signed cooperation agreement to advance the development of the accounting profession in Laos.

Joint Workshop with NAC and KICPAA

CPA Australia collaborated with the National Accounting Council (NAC) and Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) on a workshop titled 'International Workshop on Internal Audit and Cybersecurity' and saw regulators, members of local professional bodies and CPA Australia, leaders from local and foreign banks, and financial institutions in attendance.

CA ANZ



Members: 124.395



World Congress of Accountants (WCOA) 2018

As co-hosts of the 20th WCOA 2018 Chartered Accountants Australia and New Zealand (CA ANZ) was delighted to welcome members and conference delegates to the premiere global accounting conference which attracted 5,500 delegates from 115 countries. Held in Sydney, Australia the breadth of content and sessions was diverse and featured over 150 speakers. WCOA 2018 provided opportunities for participants to choose from several concurrent sessions, focussing on different aspects relevant to the accounting profession.



127th ASEAN Federation of Accountants (AFA) Meeting

AFA held its 127th Council meeting in November 2018 to coincide with WCOA. A key highlight was a Joint AFA and Confederation of Asian Pacific Accountants (CAPA) Information and Networking Session (the first) to drive conversations on how leverage can be achieved across both Professional Accounting Organisations (PAOs) and research projects.



Engagements with Asia

General

A research paper on robotics within the finance function was prepared in conjunction with the Association of Chartered Certified Accountants (ACCA) and KPMG. The paper was formally launched at WCOA in Sydney and at a series of events in Australia, NZ, Asia and UK. Paper was soft launched in September 2018.

The latest future[inc] report – The Future of Business, commissioned by CA ANZ, was launched recently in Singapore, Malaysia and Hong Kong.



The President's Dinner and Awards Ceremony was held in Singapore, Malaysia and Hong Kong in July 2018. CA ANZ President Jane Stanton presented awards to new members, Fellows and members celebrating a milestone. Jane provided an organisational update and shared the CA ANZ strategy for 2018 and beyond. Simon Grant, Group Executive Advocacy and International Development, CA ANZ attended the event and joined Jane in welcoming our members.

MIA - CA ANZ Train the Trainers Programme

CA ANZ partnered with the Malaysian Institute of Accountants (MIA) to organise the Train the Trainers Programme in February 2018 in Kuala Lumpur. The experience and sharing session on Key Audit Matters and Integrated Case Study by Ms Eija Burt, CA ANZ Senior Module Leader – Audit and Assurance, was exceptional. It inspired the academics who attended the workshop and the feedback received was positive.

Malaysian Institute of Certified Public Accountants (MICPA) – CA ANZ Audit Forum

MICPA and CA ANZ jointly organised the Audit Forum 2018, titled Tech and Audit: A Practitioners New Reality. The event was held in September 2018 at the Sime Darby Convention Centre. Simon Grant, Group Executive, Advocacy and International Development, CA ANZ attended the event.

Malaysian Institute of Accountants (MIA) Conference 2018

The annual MIA Conference was held at the Kuala Lumpur Convention Centre. This was the pinnacle event for the community in South East Asia. Michael Croker, Australian Tax Leader, CA ANZ joined a panel that discussed taxing the digital economy.

Belt and Road Initiative Forum

CA ANZ, ACCA and KPMG co-hosted a forum on the Belt and Road Initiative. The forum provided an excellent platform to explore opportunities for the accounting profession under this hot topic.

ACCA



Members: 200,000

Think Ahead ACCA



ACCA in partnership with the Carnegie Council and CFA Institute celebrated Global Ethics Day on 17 October, to acknowledge the importance of ethics in international affairs and shine a light on all things ethical and professional by demonstrating distinct leadership, exploring how businesses are preparing for an ethical future in the face of challenges presented by globalisation, technology and human psychology.

ACCA participated at the World Congress of Accountants (WCOA) in Sydney, 5-8 November allowing us to celebrate and showcase how the partnerships and connections ACCA has formed over the years has helped build a global profession and unlock potential.

Robert Stenhouse FCCA, Elected as New ACCA President for 2018/19

Robert who has 25 years of experience in accounting and audit space, joined ACCA council in 2009 and is currently chair of both ACCA's Audit Committee and Audit & Assurance Global Forums.

Profiles of ACCA's Council can be found here: <http://www.accaglobal.com/gb/en/member/council-elections/todays-council/meet-your-council.html>

Education

ACCA now offers Strategic Professional exams from September

As part of the qualification re-design, which includes two brand new style exams: Strategic Business Leader and Strategic Business Reporting, these two exams have been designed to meet the needs of employers and better equip students to be professional accountants of the future.

Professional Insights



ACCA published 24 global research reports in 2018 on a broad range of topical issues affecting business and the accounting and finance profession. These can be accessed online at (<http://www.accaglobal.com/gb/en/>)

professional-insights.html) and on our award-winning app (<http://www.accaglobal.com/gb/en/professional-insights/app.html>).

Market Activities

Indonesia

ACCA Indonesia, IAI (Ikatan Akuntan Indonesia) and AFA (ASEAN Federation of Accountants), jointly held a Regional Conference on 3 May themed “The Race for Relevance – Technology opportunities for accounting and finance function”, 120 IAI and ACCA members attended the workshop and discussed the impact of the emerging technology including cryptocurrency, block chain and Fin-Tech on business.



ACCA Indonesia-IAI (Ikatan Akuntan Indonesia) jointly held conference on Integrated Reporting “The growing Importance of integrated thinking to business reporting and sustainability” on 23 October support by ASEAN Federation of Accountants (AFA), demonstrating strong partnership with the national body to bring progressive topics to the profession.

Malaysia

Launch of the ACCA Malaysia Women Network on 8 March

ACCA Malaysia Women’s Network was launched in conjunction with International Women’s Day, led by Datuk Alexandra Chin, past president of ACCA, which will provide a platform for female ACCA members to network, share insights, support & promote career advancement and discuss issues that matter.



ACCA Malaysia and MIA (Malaysian Institute of Accountants) signed the renewal of a Strategic Partnership Agreement for another three years (2018 – 2021) on 24 May. The key objective is supporting MIA in developing and strengthening the accountancy profession and to meet the demands for professionally qualified accountants in Malaysia.

Myanmar

ACCA partners with MICPA on new capacity building project for the profession in Myanmar to support the development of the profession. The project is part of the IFAC (International Federation of Accountants) Professional Accountancy Organisation Capacity Building Programme, with aid from the UK government through an agreement between IFAC and DFID (the Department for International Development) to help strengthen MICPA in its role of serving the accountancy profession in Myanmar and achieve their objective of IFAC membership.

Singapore

ACCA held 8th ACCA International Public Sector Conference in Singapore on 1-2 March graced by Chaly Mah, Chairman of the Singapore Accountancy Commission, attended by 400 public sector delegates from across 30 countries to discuss on The Digital Public Sector. Speakers from Estonia, Malaysia and other countries spoke about digitalisation, as well as accountability and transparency, talent strategies and financial management in the public sector.



ACCA held Singapore's first cross-sectoral event, Legal & Accounting Connect on 29 June, ACCA Singapore signed first cross-sectoral MoU with The Law Society of Singapore aim to promote joint thought leadership and professional development in the accountancy and legal sectors.

ACCA Singapore held Smart Finance Series with Ernst & Young and INSEAD EMI on 12 October. This event delved into specific domains, such as blockchain and forensics, to show how analytics is used in practice and benefits it offers to make business partnering more effective and insightful.

Vietnam



ACCA and VIOD (Vietnam Institute of Directors) signed MOU on 16 August on strategic collaboration to focus on good corporate governance, financial viability for sustainable business. Following the signing, a seminar on cyber resilience was held to mark the start of this partnership.



14th Asian Organisation of Supreme Audit Institutions (ASOSAI) – Environment Auditing for Sustainable Development. 1000 guests from 79 Supreme Audit Institutes (SAI) attended the event in September with Mr. Jimmy Greer, ACCA Head of Sustainability, speaking at the Symposium, addressing challenges

related to environmental megatrends and measurement; the growing urgency and interconnectedness of issues and the increasing demand from many stakeholders.

ACCA also supported the State Audit of Vietnam to draft the position paper on the Sustainable Development Goals and the role of SAI for a discussion session at the Symposium.

Launch of Co-branded Certificate of International Financial Reporting (CertIFR) in Vietnam. Following the official launch of the co-branded CertIFR in Sydney, ACCA Vietnam and Vietnam Association of Certified Public Accountants (VACPA) jointly organised a conference to enable better understanding of IFRS (International Financial Reporting Standards) as well as the practical use of International Auditing Standards in Vietnam.



The 48th IAFEI (International Association of Financial Executive Institutes) CFO World Congress themed Transforming Finance in the Digital Age was held on 15-16 November. Mr. Joseph Alfred – Head of Policy, ACCA Singapore chaired the panel discussion on The Finance Executive in the Digital Age to discover a balance between policy considerations driving (or hindering) global and Asian growth and the transformative potential of digital technologies in responding to the opportunities and challenges.



Significant matters affecting the profession, key developments internationally and also the initiatives in the South-East Asia region in 2018. A few highlights are detailed below:

Two Leading FCAs Join Kingman FRC Review Panel

Sir John Kingman has named the 11 members of the panel who will support him during his review of the Financial Reporting Council (FRC). They include Dame Mary Keegan and Teresa Graham, both are past winners of the ICAEW Outstanding Achievement Award. Sir John and his panel will spend the rest of 2018 assessing the FRC’s governance, impact and powers, with the aim of ensuring the regulator is “fit for the future”.

Audit – ICAEW’s AuditFutures initiative aims to construct a holistic view in rethinking the profession, an objective that is increasingly important with the prominence of audit in the media in the UK and internationally. <https://www.icaew.com/en/technical/audit-and-assurance/audit-futures>

Technology - There are many technologies that are highly relevant to accountants, so ICAEW’s initiative “ABCD” provides us a clear focus and means that we prioritise our resources on the areas that are most likely to shape the profession in the future. A is for AI, B is for Blockchain, C is for Cyber, and D is for Data.

Chartered Accountants Worldwide- ICAEW CEO Michael Izza has been appointed as chairman of CAW, taking over from Pat Costello. <https://charteredaccountantsworldwide.com/>

ICAEW BFP launched in Vietnam - Suitable for professionals at any stage in their career. It includes ICAEW CFAB qualification, plus an online Ethics Learning Programme and work experience. The Vietnam Association of Certified Public Accountants now offers faster routes for its members in attaining the BFP designation.

ICAEW-ISCA FinTech Innovation



ICAEW and ISCA held a roundtable Fintech discussion in April to get their views on the impact and challenges faced by businesses in Singapore. This event is the prelude to the official launch of the joint publication between ICAEW and ISCA – ‘Fintech innovation: perspectives from Singapore and London’ on 29 October 2018.



The Chartered Professional Mission in Southeast Asia

The UK Government has brought together six leading UK Chartered Professional Bodies including ICAEW to participate in the trade mission, led by the Education Team within the Department for International Trade. The trade mission was held in Malaysia, Singapore and Vietnam with guests from key industry bodies, government agencies, employers and university partners.

Collaboration with State Audit Office of Vietnam (SAV)

ICAEW and SAV jointly held a ceremony to present ICAEW Learning Materials translated into Vietnamese to its top officers, local universities, local professional bodies and also to ICAEW Partners in Learning. This is an initiative by the SAV that aims to train and raise the competency of local professionals to match international standard.

ICAEW Welcomes First Thai Academic into Membership

Dr. Jarunee Wonglimpiyarat became the first Thai academic to enter into ICAEW membership through the Pathways to Membership route. A professor in the Technology Management Program at Thammasat University Dr. Jarunee is a noted author and commentator.

Sharing Technical Expertise with ISCA and Government Agencies

Rick Payne, ICAEW Corporate Finance Lead was invited by ISCA to share his knowledge on Finance Transformation : the impact of new technologies with its members, CFOs, and business advisors who are looking for ways to improve business performance through finance transformation. Rick also met with finance function staff from the Ministry of Finance and various government agencies on the role of finance and ways to implement new technologies to enhance work efficiency.

ICAEW Though Leadership Roadshow in South-East Asia in 2019

The various technical roadshows in six cities led by ICAEW experts in the areas of corporate governance and Fintech to ICAEW members and local professional bodies, and business leaders in the region.





The Malaysian Institute of Certified Public Accountants (MICPA) has been developing the accounting profession in Malaysia for six decades by providing accounting graduates with an avenue to become a Certified Public Accountant (CPA). Since its establishment in 1958, MICPA has played a key role in the setting of accounting standards and technical advisory for the Malaysian regulatory bodies responsible for carving out the business and financial landscape of this nation. The year 2018 marked MICPA's 60th Anniversary since its inception.

Audit Guide for Practitioners and Illustrative Audit Working Papers by MICPA



Subsequent to MICPA officially launching its 4th Edition of the Audit Guide for Practitioners (AGP) and 1st Edition of Illustrative Audit Working Papers (IAWP) on 9 October 2017, a series of workshops were jointly organised with the Malaysian Institute of Accountants (MIA) to provide SMPs with guidance on the use of the AGP and IAWP as part of the Institute's efforts to ensure that the quality and capacity of SMPs be enhanced. With the contribution of the 6 major Audit Firms in Malaysia as facilitators, 2-day workshops were conducted for

up to approximately 40 participants per workshop in Kuala Lumpur and regional sites such as Penang, Johor Bahru, Ipoh, Kuching, Kota Kinabalu and Kota Bharu. In 2018 alone, a total of 27 workshops were conducted, benefitting 1,057 participants from over 500 firms.

CA ANZ-MICPA Audit Forum 2018

MICPA and Chartered Accountants Australia and New Zealand (CA ANZ) organized their 9th annual CA ANZ – MICPA Audit Forum 2018 on 26 September 2018 in Kuala Lumpur. The Forum was officiated by MICPA Vice President, Dr. Veerinderjeet Singh. Also present were CA ANZ Councillor, Asia, and Ms Geraldine Magarey, Leader of Policy and Thought Leadership & Acting Leader of Audit and Insolvency, CA ANZ. As in previous years, this Forum is organized annually with members in the audit profession in mind. This year's Forum themed "Tech & Audit: A Practitioners New Reality" addressed some challenging current issues that affect audit practitioners.

Implementation and Enforcement of the New Practice Review Framework

MICPA's Public Practice Committee (PPC) organised a Morning Talk on 8 August 2018 in Kuala Lumpur with the aim to create awareness amongst SMPs on MIA's implementation and enforcement of the new practice review framework. The Morning Talk started with a sharing session by MIA's speakers, Dato' Hj Muhammad Redzuan Bin Abdullah (Executive Director of Surveillance & Enforcement) and Ms Yeo Ley-Mei (the Head of Practice Review) on the overview of regulatory framework, disciplinary process & framework and the enhance practice review framework and concluded with a panel discussion with Mr. Peter Lim Thiam Kee (MICPA's PPC Chairman), Ms Yeo as well as Mr James Chan, Partner from Crowe Malaysia moderated by Dato' Hj Muhammad Redzuan.

Practical Issues, Problems and Pitfalls in Registering a Limited Liability Partnership (LLP)

MICPA's PPC organised another Morning Talk on 31 October 2018 in Kuala Lumpur, structured as an experience sharing session to highlight and address areas of importance to assist businesses in drawing up an execution plan to ensure a smooth transition to become a Limited Liability Partnership (LLP) with minimal disruption and surprises. The Morning Talk comprised of speakers from the Companies Commission of Malaysia and MIA who shared on their roles and responsibilities in approving / recommending the setup of a LLP as well as professionals with legal and tax backgrounds and a practitioner who successfully converted to a LLP who providing useful and practical insights for businesses to ponder and act on.

Malaysia Insolvency Conference 2018

MICPA jointly with MIA and the Insolvency Practitioners Association of Malaysia (iPAM) organised the 3rd annual Malaysia Insolvency Conference 2018 on 22 November 2018 in Kuala Lumpur. The Conference focused on the country's economic reset under the new Government as well as the implementation of new rules and regulations particularly pertaining to the new corporate rescue mechanism introduced under Division 8 of Part III of the Companies Act 2016 which came into force on 1 March 2018. Key takeaways included leveraging on the latest perspectives in insolvency and company restructuring and how to protect one's business through the understanding the new corporate rescue mechanism.

MICPA 60th Annual Dinner

MICPA celebrated its 60th Diamond Jubilee anniversary on 13 July 2018 at the Hilton Kuala Lumpur with over 400 guests in attendance. The Institute was privileged to have as its Guest of Honour, the President of IFAC – Ms Rachel Grimes who flew in from Sydney, Australia to celebrate this milestone with MICPA. To commemorate its sixtieth year, the Institute showcased a video featuring 10 of its members ranging from senior members to Young CPA members, emphasizing how the MICPA qualification had impacted their lives and respective careers. The Institute also prepared a commemorative booklet in conjunction with the anniversary which contained key milestones of the Institute over the past 60 years, and listed down the key individuals who had played a role in taking the Institute to where it is today – 31 Past Presidents and 172 Council Members, amongst other notable award winners of the Anugerah Presiden and the Most Outstanding CPA Student Award. MICPA awarded 24 of its members with 'Life Member' status with a Certificate of Life Membership. This award is given to members aged 70 and above who have faithfully served as members for 30 years or more.



MICPA Excellence Awards 2017/2018

MICPA and CA ANZ at the recent Excellence Awards 2017/2018 event held on 26 September 2018 in Kuala Lumpur. These high-achieving individuals deserved every accolade given for either obtaining top scores in various modules, or for successfully completing the MICPA-CA ANZ Programme – a joint professional accounting Programme that provides its graduates with a dual qualification. Proud parents, employers and friends were amongst those present to show their support for all 158 individuals who were recognised for their achievements that night including 94 graduates and 4 Gold Medal winners. MICPA Past President, Raja Tan Sri Dato' Seri Arshad Raja Tun Uda was invited as the Guest of Honour for the evening to present the coveted gold medals and awards to prize winners.



MICPA-CA ANZ Accountancy Week 2018



An annual event for accounting students, this event is organised to promote the accounting profession and develop a community of students who excel not just academically, but as all-rounders. 2018 marked the 19th Accountancy Week organised since it was first introduced almost 30 years ago. The event drew keen interest from participants in the MICPA-CA ANZ Programme that provides its graduates with two qualifications upon the completion of one set of examinations, and the use of two professional

designations – CPA (M) and CA (ANZ). Themed “Get Your Game On”, the event was held from 19-27 October, with around 500 students from 20 different institutions of higher learning participating in the various events organised throughout the week.





The fiscal 2018 business plan approved at the 51st Annual General Assembly held on July 19, 2017, set out the JICPA's basic policy as follows:

As a professional body representing CPAs who play a part in ensuring transparent organizational management through disclosure of information and assurance of information reliability, the JICPA will continue contributing to economic and social development by making recommendations with regard to the maintenance and enhancement of CPAs' credentials, self-regulation in business practice, and the nature of social institutions. The JICPA will also pursue initiatives to enhance its own accountability toward society by conducting transparent

operations and actively informing the public about its efforts in this regard. Furthermore, the JICPA will fulfill its societal responsibilities as a professional body in terms of taking action to realize a sustainable, international, diverse society.



In accordance with this basic policy, the JICPA announced the six sets of priority measures below as the basis for developing its activities. These priority measures address the following five issues: (1) requests for increased audit quality and transparency, (2) support for members in responding to expectations regarding the use of CPAs' financial, accounting, and auditing knowledge in a diverse range of fields including the non-profit sector

and the corporate governance sphere, (3) enhancing the appeal of the CPA profession through training of personnel, (4) reinforcement of the organization and financial infrastructure to achieve the foregoing aims, and (5) dissemination of the JICPA's opinions and other statements.

1. Measures related to enhancing audit quality and transparency, improving the auditing environment, and strengthening self-regulation;
2.
 - a. Measures related to supporting members in dealing with the introduction of statutory audits for social welfare and health care corporations, etc., and maintaining and improving audit quality;
 - b. Measures related to providing support to, and maintaining and enhancing the credentials of, members engaged in work such as tax practice or support for small- and medium-sized enterprises (SMEs), as well as members who draw on their knowledge to serve as professional accountants in business (PAIBs), or outside directors or corporate auditors;
3. Measures related to enhancing the appeal of the CPA profession and informing the public about it by training female CPAs and CPAs who work internationally, as well as a diverse range of other personnel;
4. Measures related to improving the JICPA's organization and establishing its financial infrastructure in order to provide members with nationwide support addressing the extension of CPAs' sphere of activity;
5. Measures related to improving the JICPA's capacity to disseminate information in order to propagate its opinions and instill understanding of its organization and activities more widely at home and abroad.

Progress with activities relating to each set of priority measures is described in detail in the report published on the JICPA website https://jicpa.or.jp/english/files/annualreport_1.pdf.

AAT

Members: 140.000



AAT-IFAC Publication on Accounting Technicians

A publication, An Illustrative Approach to the Development of a Competency Framework for Accounting Technicians, has been developed jointly by the International Federation of Accountants (IFAC) and the Association of Accounting Technicians in the United Kingdom (AAT). It draws on existing work of AAT and includes content from the Confederation of Asia Pacific Accountants (CAPA) publication, Accounting Technicians: Exploring Opportunities for the Profession.

The example Competency Framework provides an understanding of what Accounting Technicians may be expected to know and do as part of their role, raises awareness of the important role of Accounting Technicians in the financial reporting supply chain, and recognizes the increase in their global recognition.

This publication follows a new IFAC approach which is designed to effectively and efficiently leverage existing knowledge through enhanced coordination and collaboration. The intention is to facilitate dialogue amongst interested parties and enhance the sharing of knowledge on topics of interest.

CAPA and AAT

AAT was pleased to play a role in supporting the research and subsequent development of the Confederation of Asia Pacific Accountants (CAPA) publication Accounting Technicians: Exploring Opportunities for the Profession, which serves as a platform for dialogue about Accounting Technicians.

4th Accounting Technicians' Roundtable

AAT hosted the 4th Accounting Technicians' Roundtable alongside the World Congress of Accountants in Sydney 2018. The roundtable discussed the joint IFAC and AAT project and the role and profile of accounting technicians, including standardisation of the required competencies.

HKIAAT and AAT sign a Mutual Recognition Agreement

In 2018, AAT and the Hong Kong Institute of Accounting Technicians signed a mutual recognition agreement. Both bodies share a commitment and strong interest in the advancement of the profession of accountancy and work in the public interest. This includes maintaining and strengthening professional and educational standards of accounting technicians and ensuring that accounting technicians are represented, supported and regulated, and adhere to international standards of codes and ethics.

AAT Introduces New VAT Qualification to Support Businesses in Bahrain and UAE

In November 2018, AAT launched a new VAT qualification. The qualification has been designed to support individuals and companies in the Gulf Cooperation Council region in getting up to speed with new VAT regulations, and help them understand how the tax affects their business.

The new AAT Advanced Award in GCC Value Added Tax qualification will assist businesses with applying VAT procedures, completing VAT returns and reporting VAT-related information to avoid fines and penalties

for non-compliance. All learning outcomes from it can be transferred into the workplace immediately to guarantee prompt compliance with the new VAT laws.

AAT Launches New Knowledge Hub for Members

AAT launched a brand new knowledge hub for its 50,000 professional members, aimed at keeping members fully updated with the latest developments affecting tax and accounting. The hub, which consists of several hundred articles, podcasts and e-learning materials, has been created following AAT member feedback calling for a single place where they can access technical content. Fresh and content will be provided to on the new site on a regular basis, including tax and regulatory updates along with thought leadership articles from accounting experts.



financial **STATEMENTS**

AFA Annual Report **2018**

ASEAN FEDERATION OF ACCOUNTANTS

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2018**

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ASEAN FEDERATION OF ACCOUNTANTS

FEDERATION PROFILE

Primary Members

Brunei Darussalam	Brunei Darussalam Institute of Certified Public Accountants (BICPA)
Cambodia	Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA)
Indonesia	Ikatan Akuntan Indonesia (IAI) / Institute of Indonesia Chartered Accountants
Laos	Lao Chamber of Professional Accountants and Auditors (LCPAA)
Malaysia	Malaysian Institute of Accountants (MIA)
Myanmar	Myanmar Institute of Certified Public Accountants (MICPA)
Philippines	Philippines Institute of Certified Public Accountants (PICPA)
Singapore	Institute of Singapore Chartered Accountants (ISCA)
Thailand	Federation of Accounting Professions of Thailand (FAP)
Vietnam	Vietnam 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)
Indonesia	Institut Akuntan Publik Indonesia (IAPI) / Indonesian Institute of Certified Public Accountants
Malaysia	The Malaysian Institute of Certified Public Accountants (MICPA)
United Kingdom	The Association of Accounting Technicians (AAT)
United Kingdom	The Association of Chartered Certified Accountants (ACCA)
United Kingdom	The Institute of Chartered Accountants in England and Wales (ICAEW)

Office bearers for the year ended 31 December 2018

AFA President	Mr Kon Yin Tong (ISCA)
AFA Deputy President	Mr Wan Tin (MICPA, Myanmar)
AFA Treasurer	Prof Chan Yoke Kai (ISCA)

Office of the Federation

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

Independent auditor

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

ASEAN FEDERATION OF ACCOUNTANTS

STATEMENT BY COUNCIL

In the opinion of the Council:

- (i) the financial statements as set out on pages 6 to 19 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 2018 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



Kon Yin Tong
President
(2018 - 2019)



Chan Yoke Kai
Treasurer
(2018 - 2019)

13 April 2019

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ASEAN Federation of Accountants (the “Federation”) as set out on pages 6 to 19, which comprise the balance sheet as at 31 December 2018, 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 2018 and of the financial performance, changes in accumulated fund and cash flows of the Federation for the year ended on that date.

Basis for Opinion

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

Other Information

The Council is responsible for the other information. The other information obtained at the date of this auditor’s report comprises the information included in the Annual Report for the year 2018 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

13 April 2019

ASEAN FEDERATION OF ACCOUNTANTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2018

	2018	2017
	\$	\$
Income		
Membership fees	65,500	65,500
Interest income	5,469	4,842
Sponsorships from other bodies	2,012	12,988
Other income	8,024	8,539
	<hr/> 81,005	<hr/> 91,869
Less expenditure		
AGM expenses / annual report printing	308	260
Auditor's remuneration	2,500	2,500
Bank charges	928	659
Foreign currency exchange gain	(212)	(83)
Meeting expenses	2,500	3,700
Postage & telecommunications	780	1,339
Publications	311	–
Regional/international conferences	3,307	–
Research activities and projects	6,265	7,988
Staff costs	69,993	66,000
Sundry expenses	914	441
Travelling expenses	9,051	6,728
Website expenses	2,392	1,769
	<hr/> 99,037	<hr/> 91,301
Net (deficit)/surplus and total comprehensive (loss)/income for the year	<hr/> (18,032)	<hr/> 568

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

ASEAN FEDERATION OF ACCOUNTANTS

BALANCE SHEET At 31 December 2018

	Note	2018 \$	2017 \$
Current assets			
Other receivables and prepayment	3	1,932	27,526
Cash and cash equivalents	4	448,464	451,611
		<hr/>	<hr/>
		450,396	479,137
		<hr/>	<hr/>
Current liabilities			
Payables and accruals	5	8,592	23,055
Contract liabilities	6	3,754	–
		<hr/>	<hr/>
		12,346	23,055
		<hr/>	<hr/>
Net assets		438,050	456,082
		<hr/>	<hr/>
Accumulated Fund		438,050	456,082
		<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 2018

	\$
Balance at 1 January 2017	455,514
Net surplus and total comprehensive income for the year	568
	<hr/>
Balance at 31 December 2017	456,082
Net deficit and total comprehensive loss for the year	(18,032)
	<hr/>
Balance at 31 December 2018	438,050
	<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 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Net (deficit)/surplus for the year		(18,032)	568
Adjustment for:			
Interest income		(5,469)	(4,842)
Operating deficit before movements in working capital		(23,501)	(4,274)
Other receivables and prepayment		25,864	(25,864)
Payables and accruals		(14,463)	(4,463)
Contract liabilities		3,754	–
Cash used in operations		(8,346)	(34,601)
Interest received		5,199	5,195
Net cash used in operating activities		(3,147)	(29,406)
Net decrease in cash and cash equivalents		(3,147)	(29,406)
Cash and cash equivalents at beginning of year		451,611	481,017
Cash and cash equivalents at end of year	4	448,464	451,611

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

ASEAN FEDERATION OF ACCOUNTANTS

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2018

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

1 Corporate information

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

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

2 Significant accounting policies

(a) Basis of preparation

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

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

Use of estimates and judgements

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

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

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

New and revised standards

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

2 Significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards (cont'd)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces IAS 18 'Revenue', IAS 11 'Construction contracts' and other revenue related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. IFRS 15 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in IFRS 15 by applying a 5-step approach.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. The entity is required to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model; to contracts with their customers. The standard also specifies the accounting and incremental costs of obtaining a contract and the cost directly related to fulfilling a contract.

The Federation adopted IFRS 15 using the modified retrospective approach without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings as at 1 January 2018.

Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed as at this date. The Federation has elected the practical expedient to apply the standard to contracts that are not completed at the date of initial application.

The Council has assessed that there is no material impact of applying the new standard on the Federation's financial statements.

IFRS 9 Financial Instruments

IFRS 9 which replaces IAS 39, includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in IFRS 9 are based on an expected credit loss model and replace IAS 39 incurred loss model.

The Federation applied IFRS 9 using a modified retrospective approach, with date of initial application on 1 January 2018. The Council has assessed that there is no material impact of applying the new standard on the Federation's financial statements.

(a) Classification and measurement

Under IFRS 9, the Federation classifies its financial assets based on entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The assessment of the Federation's business model was made as of the date of initial application on 1 January 2018. The assessment of whether contractual cash flows on debt instruments solely comprised principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

2 Significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards (cont'd)

IFRS 9 Financial Instruments (cont'd)

(a) Classification and measurement (cont'd)

The following are the changes in classification and measurement arising from adopting IFRS 9:

- Loans and receivables (including other receivables (excluding prepayments) and cash and cash equivalents) as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost beginning 1 January 2018.

The Federation has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Federation's financial liabilities.

The following summarises the required or elected reclassifications as at 1 January 2018 upon adoption of IFRS 9:

IAS 39 measurement category	Original carrying amount	IFRS 9 measurement category Amortised cost
	\$	\$
<i>Loans and receivables</i>		
Other receivables	10,201	10,201
Cash and cash equivalents	451,611	451,611
	<hr/>	<hr/>

(b) Impairment

IFRS 9 requires the Federation to record expected credit losses on all of its financial assets at amortised cost, either on a 12-month or lifetime basis. The Federation has assessed that there is no material impact of applying the new standard on its financial statements.

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 2018 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.

2 Significant accounting policies (cont'd)

(b) Financial assets

The accounting policy for financial assets before 1 January 2018 are as follows:

Classification

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

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

Recognition and derecognition

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

Initial measurement

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

Subsequent measurement

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

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

Impairment

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

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

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

2 Significant accounting policies (cont'd)

(b) Financial assets (cont'd)

The accounting policy for financial assets from 1 January 2018 onwards are as follows:

Recognition and derecognition

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Federation classifies its financial assets in the amortised cost measurement category.

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Federation reclassifies financial assets when and only when its business model for managing those assets changes.

Subsequent measurement

Debt instruments include cash and cash equivalents and receivables. The subsequent measurement category is depending on the Federation's business model for managing the asset and cash flow characteristics of the asset:

Amortised cost

The Federation measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Interest income from these financial assets is included in interest income using the EIR method.

2 Significant accounting policies (cont'd)

(b) Financial assets (cont'd)

The accounting policy for financial assets from 1 January 2018 onwards are as follows (cont'd):

Impairment

The Federation recognises an allowance for expected credit losses (“ECLs”) for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Federation expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For receivables that do not have a significant financing component, the Federation applies a simplified approach to recognise a loss allowance based on lifetime ECLs at balance sheet date. The Federation has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Federation has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Federation measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Federation recognises an impairment gain or loss in profit or expenditure for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

(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) Functional and foreign currencies

Functional 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’).

2 Significant accounting policies (cont'd)

(d) Functional and foreign currencies (cont'd)

Foreign currencies

Transactions in foreign currencies are translated into the functional currency using the exchange rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the rates ruling at that date. All exchange differences are taken to 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.

The Federation recognises members' annual fees as a performance obligation satisfied over time. Member's annual fees are recognised as income in the year to which the annual fees relates. Unearned income relating to future year is included in contract liabilities. Interest income is recognised as the interest accrues based on effective interest method.

(g) Grants

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

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

(h) Provisions

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

3 Other receivables and prepayment

	2018	2017
	\$	\$
Other receivables	–	8,539
Prepayment	–	17,325
Interest receivables	1,932	1,662
	1,932	27,526

4 Cash and cash equivalents

	2018	2017
	\$	\$
Fixed deposits	366,928	412,992
Cash and bank balances	81,536	38,619
	448,464	451,611

Fixed deposits bear interest rates ranging from 1.40% to 1.75% (2017: 0.75% to 1.30%) per annum and mature between 1 and 10 months (2017: 1 and 10 months) from the balance sheet date.

5 Payables and accruals

	2018	2017
	\$	\$
Accrued operating expenses	8,592	21,043
Sponsorships received in advance	–	2,012
	8,592	23,055

6 Contract liabilities

Contract liabilities comprise annual fees and sponsorship fees advance consideration received from members and professional bodies. Contract liabilities are recognised as revenue as (or when) the Federation satisfies the performance obligations under its contracts.

The following table provides information about contract liabilities from contracts with customers:

	2018	1.1.2018
	\$	\$
Contract liabilities	3,754	2,012*

* As at 31 December 2017, the amount is presented as sponsorship fees received in advance amounting to \$2,012 on the Company's balance sheet.

There were no significant changes in the contract liability balances during the financial year.

7 Financial instruments

a) Categories of financial instruments

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

	2018	2017
	\$	\$
<i>Financial assets</i>		
Loans and receivables (including cash and cash equivalents)	450,396	461,812
<i>Financial liabilities</i>		
At amortised cost	8,592	21,043

b) Financial risk management

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

Credit risk

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

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

At balance sheet date, there is no significant concentration of credit risk, except for cash and cash equivalents. The maximum exposure to credit risk is represented by the carrying amount of each class of financial instruments on the balance sheet.

The Federation has credit policies and procedures in place to minimise and mitigate its credit risk exposures.

Financial assets at amortised cost

Financial assets at amortised costs include other receivables and cash and cash equivalents.

Credit risk exposure in relation to financial assets at amortised costs as at 31 December 2018 is insignificant, and accordingly no credit loss is recognised as at 31 December 2018.

7 Financial instruments (cont'd)

b) Financial risk management (cont'd)

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 cash equivalents deemed adequate by the Council to finance the Federation's operations and mitigate the effects of fluctuations in cash flows.

8 Fair values

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

9 Fund management

The Federation's objectives when managing its funds are to safeguard and maintain adequate working capital. The Council considers the accumulated fund as the capital of the Federation and no changes were made to the Federation's fund management objectives during the financial years ended 31 December 2018 and 31 December 2017.

10 Authorisation of financial statements

The financial statements of the Federation for the financial year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Council dated 13 April 2019.



ASEAN Federation of Accountants

Accredited Civil Society Organisation of the ASEAN

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