



ASEAN FEDERATION OF ACCOUNTANTS

2008 ANNUAL REPORT

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A MESSAGE FROM AFA PRESIDENT PENGIRAN HAJI MOKSIN



How fast time seems to be rushing by! Already we are closing the door on 2008 and preparing for the new year ahead.

In 2008, the ASEAN Federation of Accountants (AFA) undertook the effort to become a more dynamic organisation as well as to make itself more relevant to the needs of its members. All initiatives carried out by AFA were in accordance with the Strategic and Operational Plans document which was developed in 2006 and is intended to provide AFA members a comprehensive and clear picture of the objectives and programmes that the then AFA President and its executives aim to deliver.

To keep the projects on track, the AFA Council agreed that a Project Coordinator be assigned to liaise with all the Project Leaders with the express objective of ensuring that progress is being made on all the projects. In this way, AFA hopes that the projects will come to fruition and not just be castles in the air.

This year, I am also extremely proud of the Joint Public Sector Conference which was co-hosted by the Indonesian Institute of Accountants and CPA Australia. We always encourage cooperation between member bodies; the benefit of which trickles down to our stakeholders, the accountants. Aside from that, AFA also got a golden opportunity to meet with the leadership of the International Federation of Accountants (IFAC) during the IFAC Board Meeting which was held in Kuala Lumpur, Malaysia.

A more comprehensive report on AFA's activities for the whole of 2008 can be found inside the Annual Report. Meanwhile, know that AFA already has plans in place for 2009 and will be putting them in place in order that 2009 will be another good year for our organisation, God willing.

Thank you.

Pengiran Haji Moxsin
AFA President
2008-2009

A MESSAGE FROM AFA VICE PRESIDENT
NIK MOHD HASYUDEEN YUSOFF



As the umbrella organisation for the national associations of accounting professionals of the member countries for the ASEAN region, the ASEAN Federation of Accountants (AFA) shoulders huge responsibilities towards our stakeholders; the accountants of ASEAN.

This Annual Report details AFA's strategic plans as well as achievements during the last financial period. The publishing of this Report doubles as an assessment practice which keeps all stakeholders informed of the ASEAN Federation of Accountants (AFA)'s activities.

Apart from the activities completed in 2008, there is also a section of AFA 2008-2011 Strategic and Operational Plans. This chapter serves to inform the stakeholders of what AFA has planned for the next three years and what steps AFA will take to complete projects and reach goals.

By making the Annual Report public, AFA seeks to make itself more transparent and increase its accountability to its' stakeholders. In the coming financial period, AFA will endeavour to make itself more valuable and relevant to the people who matter the most: the accountants of ASEAN.

Thank you.

Nik Mohd Hasyudeen Yusoff
Vice President
2008-2009

**THE
COUNCIL 2008**

THE COUNCIL 2008

President	:	Pengiran Haji Moxsin (Brunei)
Vice President	:	Nik Mohd Hasyudeen Yusoff (Malaysia)
Treasurer	:	Khoo Ho Tong (Singapore)
Secretary General	:	Ning Lela Mohamad (Brunei)

Brunei	:	Lee Kin Chee Lim Hoon Hui
Cambodia	:	H.E. Ngi Tayi Key KAK
Indonesia	:	Ahmadi Hadibroto Prof. Dr. Djoko Susanto Prof. Dr. Ilya Avianti Elly Zarni Husin
Lao PDR	:	Prof. Darath BOUPHA Phoxay CHANTHAVONGSA Soulivong CHANTHALASY Kaysone SOURİYASAK
Malaysia	:	Datuk Abdul Samad Haji Alias (Dr) Datuk Nur Jazlan Tan Sri Mohamed Chen Voon Hann
Myanmar	:	U Myo Myint U Thein Myint U Win Thin U Than Tin
Philippines	:	Protacio T. Tacandong Eduardo B. de Guia Antonio P. Tecson Francisco B. Gonzalez, V
Singapore	:	Tan Boen Eng Dr. Ernest Kan
Thailand	:	Prof. Kesree Narongdej Montri Chenvidyakarn Sumana Sudtipunyo
Vietnam	:	Ha Ngoc Son Dr Dang Van Thanh

**ABOUT
ASEAN FEDERATION OF
ACCOUNTANTS**

ABOUT ASEAN FEDERATION OF ACCOUNTANTS



The **ASEAN Federation of Accountants (AFA)** was organised in March, 1977. It was established to serve as the umbrella organisation for the national associations of accounting professionals of the member countries of the Association of South East Asian Nations (ASEAN). AFA originally had only five member-bodies. These are the national accountancy bodies of Indonesia, Malaysia, Philippines, Singapore and Thailand. Currently, AFA membership comprises of all 10 ASEAN member countries.

AFA is composed of two types of membership. The Primary Members of AFA are the national organisations of accounting professional representing countries within the territorial jurisdiction of ASEAN and must be the recognised national accounting body of that country created under a specific statute or regulation of that particular country, or in the absence of it, the recognised national organisation of accounting professional in the said country. The Associate Members are the internationally recognised bodies of accounting professionals of any ASEAN countries or other countries which are friendly to and supportive of the aspirations of ASEAN, even though they may be outside the territorial jurisdiction of ASEAN.

AFA Objectives

AFA was created with the following objectives:

- To provide an organisation for ASEAN Accountants for the further advancement of the status of the profession in the region with the view to establishing an ASEAN philosophy on the accounting profession.
- To establish a medium for closer relations, regional cooperation, and assistance among ASEAN accountants.
- To enhance the continuous development of the accounting profession in the region through the joint endeavours of accountants representing the ASEAN.
- To identify and highlight vital problems affecting the accounting profession in the ASEAN region and to formulate proposals towards the solution of these problems.
- To provide ASEAN accountants with a venue for the exchange of the significant information on the accounting profession in the ASEAN member countries.
- To represent the ASEAN accountants in their collective dealings with international accounting and other organisations.
- To work in cooperation with ASEAN business regional groupings whose economic development efforts may be complemented by ASEAN accountants.

Vision

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

Mission

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

**REPORT OF
THE COUNCIL**

REPORT OF THE COUNCIL

The ASEAN Federation of Accountants (AFA) is pleased to present its report for the period 2008.

During the review period, the AFA Council met three times. The meetings were held as follows:



***93rd AFA Council Meeting
7 – 8 March 2008
Brunei Darussalam***

The 93rd AFA Council Meeting was held on 8 March 2008 in Bandar Seri Begawan, Brunei Darussalam. The meeting was attended by representatives of its Primary Members from Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore and Thailand. Representatives of its Associate Members present were CPA Australia and ICAA.

At the meeting, MIA informed that they have completed the survey on the Identification of the Needs and Expectation of the AFA Member Bodies and had tabled the draft report to the survey. The meeting was then informed that the finalised report will be published by May 2008 and thereafter circulated to all AFA Member Bodies and other relevant stakeholders.

The meeting also discussed the establishment and execution of training programmes on various contemporary accounting topics to be held in various AFA member countries. These training programmes are to be taught by educators and skilled professionals from AFA member countries. PICPA briefed the meeting that the training modules were ready. However, the mode of approach and delivery were still subject to further discussion. The “Train the Trainers” approach was seen to be faster and would not be as costly as member body participation. PICPA will start the pilot programme in Philippines and later will conduct the “Train the Trainers” programme for AFA delegates.

Another issue discussed at the meeting was the MoU between AFA & the South Asian Federation of Accountants (SAFA) which was signed in Jakarta, Indonesia during the opening ceremony of the 15th AFA Conference. The objective of the MoU is to share information and to jointly organise seminars and conferences. There was also a follow-up action to set up a joint committee to address common projects together and suggested that this be addressed in the next AFA Council Meeting. Indonesia will contact SAFA on the progress of the cooperation between both parties.

***94th AFA Council Meeting
27 – 28 June 2008
Vientiane, Lao PDR***



The 94th AFA Council Meeting was held from 27-28 June 2008 at the Don Chan Palace Hotel in Vientiane, Lao PDR. The meeting was attended by representatives of its Primary Members from Brunei, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. Representatives of its Associate members who attended the meeting were ACCA, ICAA and CPA Australia.

The meeting discussed its AFA Strategic and Operational Plan for 2008-2011. Member bodies generally supported in principle the said plan and gave their initial views on how to realize the objectives laid out in the plan. Members of the meeting also mooted the idea on how further projects could be incorporated into the plan as well as the representation of AFA views on issues such as copyright and royalty on IFRS.

Other issues discussed during the meeting include the AFA communication channel, train the trainer programme by PICPA, IFAC Statement of Membership Obligations (SMOs) for AFA members who are non-IFAC member and SMO 1 on Quality Assurance. Also discussed was SMO 5 on Public Sector Accounting Standard where IAI informed the meeting that it will jointly organise a Public Sector Conference with CPA Australia on 23 July 2008. In addition, the meeting took note of the IFAC Policy Statements on Regional Organisations and Accountancy Groupings.

***95th AFA Council Meeting
24 – 25 October 2008
Kuala Lumpur, Malaysia***



The 95th AFA Council Meeting was successfully held on 25 October 2008 at the Grand Millennium Hotel in Kuala Lumpur, Malaysia. The meeting was attended by representatives of its Primary Members from Brunei, Cambodia, Indonesia, Laos,

Malaysia, Philippines, Singapore, Thailand and Vietnam. Representatives of its Associate Members who attended the meeting are ACCA, ICAA and CPA Australia.

Among the issues that were discussed at the meeting were formalising of the 2008-2011 AFA Strategic and Operational Plans which were subsequently endorsed by the AFA Council. The meeting also discussed the setting up of the AFA Task Force on Regional Accounting Standards where Prof. Kesree Narongdej, the President of FAP shall lead and be responsible to set up the task force. The meeting was also given the preview of the proposed new AFA website.

The meeting also agreed to develop a set of criteria for research papers to be considered for AFA sponsorship with Dr. Djoko Susanto of IAI leading in coming up with the said criteria to be used for future consideration of any research proposals. Before the meeting was adjourned, the AFA Council had confirmed the date and venue of the 2009 AFA Council Meetings.

All initiatives carried out by AFA were in accordance with the Strategic and Operational Plans document which was developed in 2006 and is intended to provide AFA members a comprehensive and clear picture of the objectives and programmes that the then AFA President and its executives aim to deliver.

In continuation of the 2006-2007 AFA Strategic Plans, the AFA Council had endorsed the 2008-2011 AFA Strategic and Operational Plans to give AFA members a clear picture of the initiatives and programmes that AFA would be pursuing for the next four years. The plans shall be reviewed after a two year period in 2010 with regards to its effectiveness, implementation and relevance.

Presently being executed in its implementation phase, the Plan has been instrumental in the formulation of strategic and operational objectives and goals for the advancement of the accountancy profession in the Association of Southeast Asian Nations (ASEAN) region. With the leadership of the Council Members and the support of the member bodies, AFA undertook several activities to further promote the interests of the accountancy profession and assist members in relevant areas during the review period.

AFA is pleased to present this report on its progress in fulfilling its functions according to the AFA Constitution and By-Laws.

AFA Membership Figures

The following national organisations of accounting professionals are the primary members of the Federation representing countries within the territorial jurisdiction of the Association of Southeast Asian Nations (ASEAN). Along with the list of primary members are the membership figures of each of the member bodies.

Country	Institute	Membership
Brunei	Brunei Institute of Certified Public Accountants (BICPA)	79
Cambodia	Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA)	799
Indonesia	Indonesian Institute of Accountants (IAI)	7,171

Lao PDR	Lao Institute of Certified Public Accountants (LICPA)	166
Malaysia	Malaysian Institute of Accountants (MIA)	25,309
Myanmar	Myanmar Accountancy Council (MAC)	502
Philippines	Philippine Institute of Certified Public Accountants (PICPA)	20,486
Singapore	Institute of Certified Public Accountants of Singapore (ICPAS)	20,257
Thailand	Federation of Accounting Professions of Thailand (FAP)	49,244
Vietnam	Vietnam Associations of Accountants and Auditors (VAA)	7,500
Total		131,513

2008-2011 AFA Strategic and Operational Plans

The ASEAN Federation of Accountants (AFA) was created with the objectives to be the organisation of ASEAN accountants for their further professional advancement and that of the accountancy profession in the region – with the end view of establishing an ASEAN philosophy for the accounting profession, to establish a medium for closer relations, regional cooperation, and mutual assistance among ASEAN accountants, to enhance the continuous development of the accounting profession in the region through the joint endeavours of ASEAN accountants, to provide ASEAN accountants with a forum for the exchange of technical and other significant information on the accounting profession and its related practices.

As the ASEAN region grows rapidly and strives to become a common market, it is also important for the accountancy profession in the region to be a significant partner in capacity building of local enterprises, enabling cross-border transactions and contributes towards the enhancement of the public and private sectors institutions for the benefit of the society at large.

AFA is aware that the countries in ASEAN are at different stages of economic and social development. Such diversity is also reflected in the needs of the accountancy bodies which are members of AFA, as their roles are determined by the market in which they exist.

Being the umbrella organisation for the region's national accounting bodies and being established with the main purpose of advancing the profession in the South East Asian region, AFA would deliver value to its member bodies through the understanding of individual members, directly or through working with other institutions with similar objectives and interest.

To achieve the vision and mission, it has been proposed that AFA pursue the following strategic objectives that would be the basis for its operational plan:

1. Strengthening AFA institutional capabilities
 - Project coordination and monitoring.

- Communication – internal and external which includes enhancement of the website.
2. Supporting the capacity building of member institutions;
 - Being the platform for cooperation among member institutions in sharing best practices and resources, especially in enabling all members to comply with IFAC Statement of Membership Obligations, when applicable.
 - Collaborate with developmental agencies such as Asian Development Bank on capacity building activities within the ASEAN region.
 3. Championing specific issues which would promote the standing of the accountancy profession within the ASEAN region.
 - Conduct or participate in research in areas which would benefit member institutions at large.
 - Organise conference and training activities in areas which would enhance the accountancy profession as well as the economy at large in the ASEAN region.
 - Act as the voice of the ASEAN accountancy fraternity by communicating the stand of the accountancy profession to relevant stakeholders on matters which are important to the region or internationally.

AFA is pleased to report on the deliverables of the projects/initiatives that have been undertaken during the review period.

Identification of the Needs and Expectations of AFA Members

In line with the AFA objectives and the AFA Strategic Plan Points, a survey was conducted to identify the needs and expectations of AFA member bodies. MIA was assigned to conduct a needs assessment programme for all members that aim to identify what each member expects to receive for its AFA membership. A survey questionnaire was circulated to obtain inputs on the demographic background of the national accounting institutes of the AFA member bodies, the extent of implementation of the IFAC Statement of Membership Obligations (SMOs) and continuing professional development courses to determine the frequency of courses held by the Institutes for the one year period. In addition, members were also requested to list down their Institute's major concerns in relation to national and international accounting environment. Copies of the survey questionnaire were sent to the ten AFA Primary Members, namely, Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

The Report on Identification of the Needs and Expectations of the ASEAN Federation of Accountants Member Bodies was published in January 2008. Copies were distributed to all AFA member bodies as well as other stakeholders. The report can also be viewed on the AFA website at www.aseanaccountants.org.

New AFA Website

During the review period, the AFA Council had agreed to review and enhance AFA communication channels including the website. The new AFA website is now up and running and can be accessed at www.aseanaccountants.org.

Round Table Discussion: The Impact of the SME Accounting Standards on Developing and Emerging Countries

The Federation of Accounting Professions (FAP) Thailand hosted the Round Table Discussion and Seminar on the Accounting of Small and Medium Entities (SMEs) and co-hosted by the World Bank from 29-30 May 2008 in Bangkok, Thailand.

The Round Table Discussion and Seminar on the Accounting of SMEs was aimed at providing an opportunity for national and international accountancy bodies, standard setters, and other interested parties to debate and comment on various issues involving the IFRS for SMEs and to arrive at general conclusions among ASEAN countries on the financial reporting guidelines suitable for ASEAN SMEs and to raise public awareness of the potential opportunities and threats that the IFRS for SMEs may pose to these types of business.

Specific topics that were addressed at the forum include:

- Definitions and characteristics of SMEs.
- Reporting model for different types of entities such as micro businesses, the SMEs.
- Potential implementation issues.
- Framework for the preparation of financial statements for SMEs:
 - Objectives of financial reporting
 - Users of financial statements
 - Components of financial statements
 - General reporting model

Joint Public Sector Conference



The Supreme Audit Board of the Republic of Indonesia (BPK) in collaboration with the Indonesian Institute of Accountants (IAI) and CPA Australia had successfully organised the Public Sector Conference on 23 & 24 July 2008 at Hotel Borobudur in Jakarta, Indonesia.



The conference themed “*Towards an Accountable, Responsive, Efficient and Effective Government*” was aimed at sharing knowledge, experience and best practices on public sector accounting development in Indonesia and the international society as an effort to answer various challenges and strategic demand within public sector accounting implementation.

The conference has achieved productive discussions on how to move towards an

accountable, responsive, efficient and effective government. As stressed by the participants of the conference, they realised that the principles of good governance are desirable for the Indonesia government. The expectations of the Indonesian citizens with regards to the accountability of the government have also risen dramatically. It was agreed that public sector resources cannot be managed without having relevant and reliable information about these entities. Thus, all parties must continuously work toward a transparent, efficient and responsive public sector.

IFAC Meeting with Regional Accountancy Bodies



The IFAC Meeting with Regional Accountancy Bodies was successfully held on 10 September 2008, in conjunction with the IFAC Board Meeting held from 8-12 September 2008 in Kuala Lumpur, Malaysia. The IFAC delegation was led by IFAC's president, Juan José Fermín del Valle and deputy president, Robert Bunting.

This was the first time the IFAC Board Members were convening in Kuala Lumpur and provided a rare opportunity whereby the top brass of IFAC would all be in this region at the same time. Under the realisation that other regional professional bodies would also be eager for an opportunity to meet with the IFAC management, MIA proceeded to organise some events to that effect.

On 9 September 2008, MIA hosted a dinner between the IFAC officers and AFA. The dinner was attended by Mr del Valle, Mr Bunting, IFAC CEO, Mr Ian Ball and Director of Quality Assurance and Member Body Relations, Mr Russell Guthrie as well as the AFA council members who were led by AFA President, Pengiran Haji Moksin. The dinner was also graced by the presence of Mr Kamlesh Vikamsey, president of the Confederation of Pacific and Asian Accountants (CAPA). This dinner was held to give AFA a chance to present themselves to IFAC as well as being a session during which the dinner guests from IFAC, AFA and CAPA could get acquainted prior to the IFAC Meeting with Regional Accountancy Bodies the next day.

The IFAC Meeting with Regional Accountancy Bodies was held as a breakout session to be held in conjunction with the IFAC Seminar going on at the time. For this event, MIA invited the leadership of the primary AFA members, representatives from CAPA who were attending the IFAC Board Meeting as well as MIA's own council members for a dialogue session with Mr del Valle, Mr Bunting, Mr Ball and Mr Guthrie. CAPA was invited as their organisation represents national accountancy organisations in the Asia-Pacific region and its geographical area spans half the globe.

This dialogue was held with the intention of providing an avenue for the regional bodies to meet up with IFAC and discuss and understand issues affecting the profession both regionally and globally. It was also an opportunity for the bodies present to examine any possible areas of collaboration.

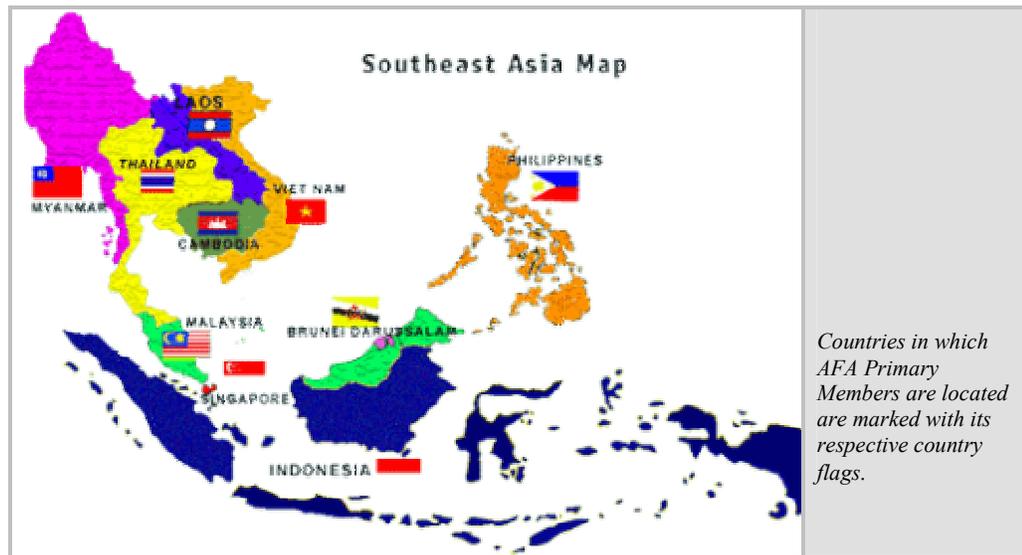
Other projects/initiatives

AFA is also currently undertaking other projects/initiatives, some of which are expected to be completed by mid 2009 while others are on-going projects. The projects would include assistance to AFA members in maintaining compliance with IFAC Statement of Membership Obligations (SMOs) where the project leader will follow-up on matters raised by members who are not members of IFAC. Of the four, KICPAA has now been admitted as an Associate Member of IFAC at the IFAC Council Meeting held on 12-13 November 2008 in Rome, Italy. Having been approved as an Associate, KICPAA will be required to participate in the Compliance Programme and develop an action plan to bring about further improvements to this developing profession.

AFA is also working to develop a set of criteria for research proposals to be considered for AFA sponsorship, setting up a Task Force on Regional Accounting Standards to study and give comments to IASB exposure draft, standards and interpretation and also the compilation of all the Mutual Recognition Agreements/Arrangements (MRAs) that have been signed between AFA with other regional accountancy bodies or between any AFA member bodies either with each other or other external parties.

AFA
MEMBER BODIES

AFA MEMBER BODIES



Primary Members

Brunei Darussalam

Brunei Darussalam Institute of Certified Public Accountants (BICPA)
No.3, 1st Floor, Block A, Regent Square
Simpang 150, Kiulap BE1518
Brunei Darussalam

www.bicpabrunei.com

Cambodia

Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA)
26 Street 370, Sangkat Boeung Keng Kang I
Khan Chamkarmon
Phnom Penh, Cambodia

www.kipaa.org.kh

Indonesia

Indonesian Institute of Accountants / Ikatan Akuntan Indonesia (IAI)
Graha Akuntan, Jl. Sindanglaya No. 1
Menteng, Jakarta 10310
Indonesia

www.iaiglobal.or.id

Lao PDR

Lao Institute of Certified Public Accountants (LICPA)
Ministry of Finance, Accounting Department
Enterprise Accounting Division
P.O. Box 46, Lane Xang Avenue
Vientiane Lao PDR

Malaysia

Malaysian Institute of Accountants (MIA)

Dewan Akauntan

No. 2, Jalan Tun Sambanthan 3

Brickfields, 50470 Kuala Lumpur

Malaysia

www.mia.org.my

Myanmar

Myanmar Accountancy Council (MAC)

Office of the Auditor General

Office Building No (12)

Naypitaw, Union of Myanmar

Philippines

Philippine Institute of Certified Public Accountants (PICPA)

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City of Mandaluyong

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Singapore

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www.icpas.org.sg

Thailand

Federation of Accounting Professions of Thailand (FAP)

444/1 Samsen Road Dusit

Bangkok 10300, Thailand

www.fap.or.th

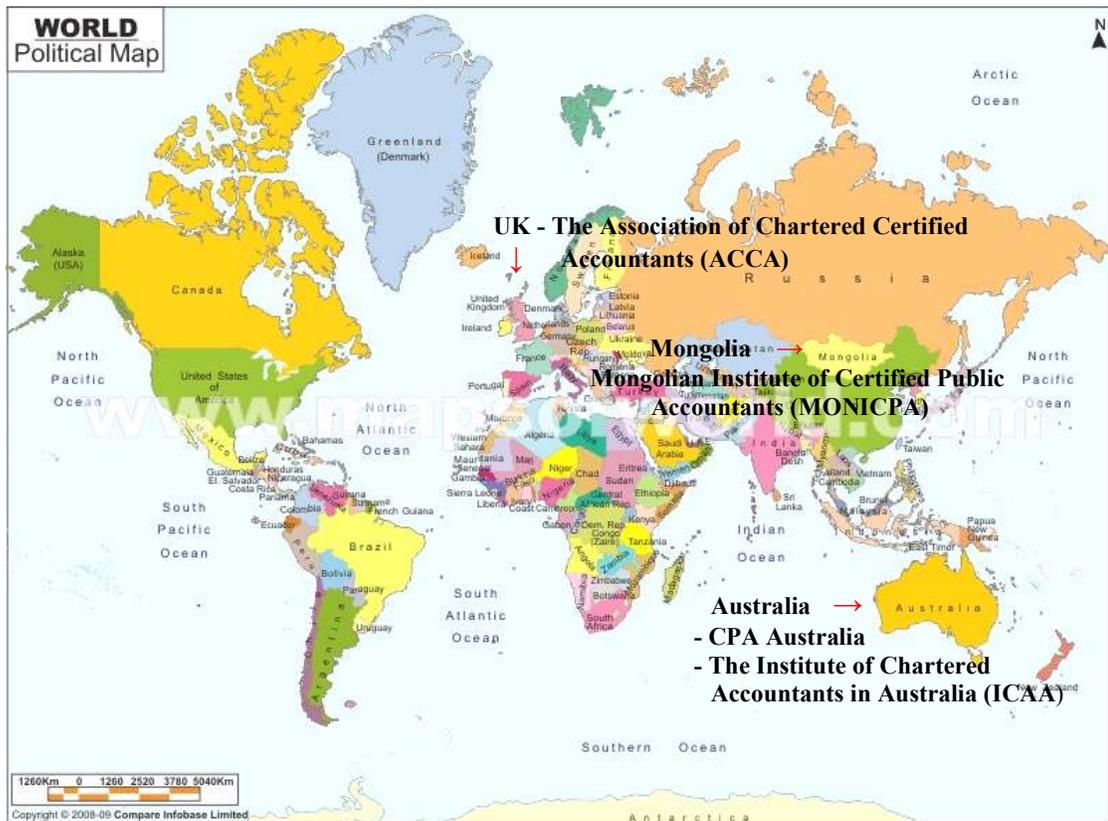
Vietnam

Vietnamese Association of Accountants and Auditors (VAA)

192 Giai Phong Road, Thanh Xuan District

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Associate Members



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