



**PRESS RELEASE (November 2018)**

**AFA publishes its AFA Research Report focusing on regional SMEs**

**Report highlights challenges associated with the lack of business and financial literacy of ASEAN SMEs**

The ASEAN Federation of Accountants (AFA) has published the AFA Research Report: *The Institutional Environment for Small and Medium Enterprises (SMEs) and Roles for the Accounting Profession (ASEAN Perspectives)*, a culmination of the Federation's aspiration to be a regional thought leader for SMEs and SMPs issues, with emphasis on the role of the accountancy profession in supporting the development of SMEs and SMPs in the region.

The Report is a contribution of the Federation to prior studies on SMEs particularly in Southeast Asia, highlighting the different approaches in defining the sector and potential roles of accountants, particularly the SMPs, as key supporting element to the ASEAN SMEs.

Throughout 2017, researchers from the School of Information Systems and Accounting – Faculty of Business Government and Law, University of Canberra as the grant recipients have conducted a series of interviews in some selected countries in the region and gathered more than 200 responses through an online survey mechanism.

The Report has identified several key findings and implications, among others:

- 1) Significant issues on inconsistent and arbitrary definitions of SMEs – within/between countries and across regulatory bodies (i.e. banks, taxes), government departments, and professional institutions;
- 2) The complexity of accounting languages, the actual cost of compliance and the need for business and financial literacy limit the effectiveness of professional accountants in the support of ASEAN SME activity; and



- 3) AFA and Professional Accountancy Organisations play a central role in advocating and advising on regional economic development especially with respect to micro and small entities.

AFA is committed to work with its member organisations and relevant stakeholders in the region, including the SMEs and SMPs, on the key findings and implications identified in the Report.

The AFA Research initiative was first introduced in December 2016, via publication of the AFA Research Grant call for proposals. The call attracted 44 proposals from nine countries inside and outside of the ASEAN region. Selection of the grant recipient was conducted by an independent panel consisted of three experts from Indonesia, Malaysia, and Australia.

The AFA Research initiative is fully supported by the Association of Chartered Certified Accountants (ACCA) and the Chartered Accountants Australia & New Zealand (CA ANZ).

The AFA Research Report is available in the AFA website: [www.aseanaccountants.org](http://www.aseanaccountants.org).

**About AFA ([www.aseanaccountants.org](http://www.aseanaccountants.org))**

The ASEAN Federation of Accountants (AFA) was organised in March 1977. It was established to serve as the umbrella organisation for the recognised national Professional Accountancy Organisations of the Association of Southeast Asian Nations (ASEAN) member states. AFA is an accredited Civil Society Organisation of the ASEAN, recognised under the ASEAN Charter.

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