

AFA supports Asean Economic Community

Opinion by [Estelita Aguirre](#) - December 14, 2015



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The Asean Federation of Accountants (AFA) was established in March 1977 by five accredited association of accountants: Ikatan Akuntan Indonesia, Malaysian Institute of Accountants, Philippine Institute of Certified Public Accountants (PICPA), Institute of Certified Public Accountants of Singapore, now Institute of Singapore Chartered Accountants and Federation of Accounting Professionals of Thailand, to serve as the umbrella organization for the national associations of accounting professionals of the member-countries of the Association of Southeast Asian Nations (Asean).

They were later joined by Brunei Darussalam Institute of Certified Public Accountants, Kampuchea Institute of Certified Public Accountants and Auditors, Lao Chamber of Professional Accountants and Auditors, Myanmar Accountancy Council and Vietnam Association of Accountants and Auditors.

The 10 regular member-bodies of AFA find support from internationally recognized bodies of accounting professionals, which, even though outside the territorial jurisdiction of Asean, are friendly and supportive of the aspirations of Asean. They are referred to as Associate Member Bodies, namely, The Association of Chartered

Certified Accountants; Chartered Accountants Australia-New Zealand; Certified Practicing Accountants Australia; and The Institute of Chartered Accountants in England and Wales.

During the 120th AFA Council meeting held in New World Makati Hotel on December 5, the council, through a resolution, approved the applications of Malaysian Institute of Certified Public Accountants and Japan Institute of Certified Public Accountants as its fifth and sixth associate members.

In support of the formal launching of the Asean Economic Community (AEC) on December 31, AFA held its 19th AFA Conference, at the Asian Institute of Management Conference Center in Makati City, hosted by PICPA.

Asean is now the center of growth globally. Home to more than 600 million people, its \$2.1-trillion economy will play an important role in the global economy and opening the Asean borders under the AEC will bring with it challenges and opportunities for investors, businessmen and accountants. Hence, the one-day conference was organized to bring together professional accountancy organizations, regional and global experts, regulators, policy-makers, standard-setters, and more important, accountants in the Philippines to discuss the effects of the Asean integration, particularly on Asean SMEs and SMPs. The conference also looked at the adoption and implementation of quality assurance review as a component for the profession in successfully welcoming the Asean integration.

The AFA conference focused on the theme “Asean Integration: Opportunities and Challenges for SMEs and SMPs, with Keynote Speaker Guntur Sugiyarto of the Asian Development Bank, who discussed “Asean Mobility of Skilled Workers,” while Board of Accountancy Chairman Joel Tan Torres gave an update on the status of implementation of the Mutual Recognition Arrangement for Accountancy Services.

The delegates and the local participants were in awe listening to foreign and local speakers on topics such as “Maximizing Opportunities of Accountants from the

Asean Integration” (Lucia Real-Martin of ACCA); “SMPs and the New Auditor’s Report” (Dato Mohammad Faiz Azmi of Malaysia); “Adoption of IFRS: Impacts on SMEs and SMPs” (Adrienne Abarca of SGV EY); “UNCTAD-ISAR Paper on Monitoring Compliance and Enforcement” (Gerard Ee of ISCA); “Specific Tax Issues and Reforms Engendered by Asean Integration” (Benedicta Baladad of BDB Law Firm); and, “AFA and its Activities on SMEs and SMPs” (Aucky Pratama, AFA executive director).

First panel discussion on “Asean Integration: Boon or Bane for SMEs and SMPs” was handled by panelists from Lao PDR, Australia and the Philippines with PICPA VPO Cesar Mansibang as moderator.

The second panel discussion on “Quality Assurance Review Challenges, Opportunities and Benefits in Adoption and Implementation,” was moderated by Mark Campbell of the Institute of Chartered Accountants of England and Wales, with panelists from Singapore, Myanmar and the Philippines.

A conference participant e-mailed to us the following comments: “I have been to a number of local and international conferences of accountants here and abroad. I must admit that the recently concluded AFA Conference is by far the best. You couldn’t have chosen much better speakers than the ones invited. They are all starwarts in the accountancy profession not only in the Philippines but also in Asean and other countries like Australia and United Kingdom. I was most impressed by a lady speaker who shared her views on how the Asean accountants can benefit from the European experience in capturing our opportunities in the fast-growing economy of the Asean region. Clearly, she pointed out that the opportunities are here for us to capture and maximize if only we can work closely together amidst our varying degrees of development. I came home last Friday night self-fulfilled after listening to all the speakers during the conference.”

In looking at these opportunities and challenges, one needs to consider the findings of the World Bank and AFA in the “Current Status of the Accounting and Auditing Profession in Asean Countries” Report of September 2014. The numerous key areas of difference and factors that are constraining the closing of the “development gap” have to be prioritized and addressed. The report also disclosed that AFA has very “well developed” member-bodies, as well as “lesser developed” ones. Under the present situation, with the assistance of the World Bank, AFA could lead in regional capacity building activities through mentoring arrangements for member-bodies that are in the early stage of development. Thus, AFA created Task Force No. 1 “Closing the gaps among member-bodies and supporting them to be members in good standing of the International Federation of Accountants.”

AFA as the key regional accounting organization is expected to be at the forefront in the implementation of the Mutual Recognition Arrangement on Accountancy Services, which was signed in November 2014, in support of the Asean integration. Its vision is to be globally recognized as the body that represents the accountancy profession in the Asean region and its mission is to develop and promote the accountancy profession in support of the socioeconomic development of the Asean member-countries. Its secretariat is based in Jl. Singdanglaya No. 1 Menteng Jakarta 1031, Indonesia. For more information, you may access their web site www.aseanaccountants.org or e-mail to afasecretariat@iaiglobal.or.id or call telephone no (+62-21) 3900-016.

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