



ASEAN – THE RISING FRONTIER

Challenges in the Accounting Profession

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MYANMAR



THAILAND



CAMBODIA



SINGAPORE



INDONESIA



LAOS



PHILIPPINES



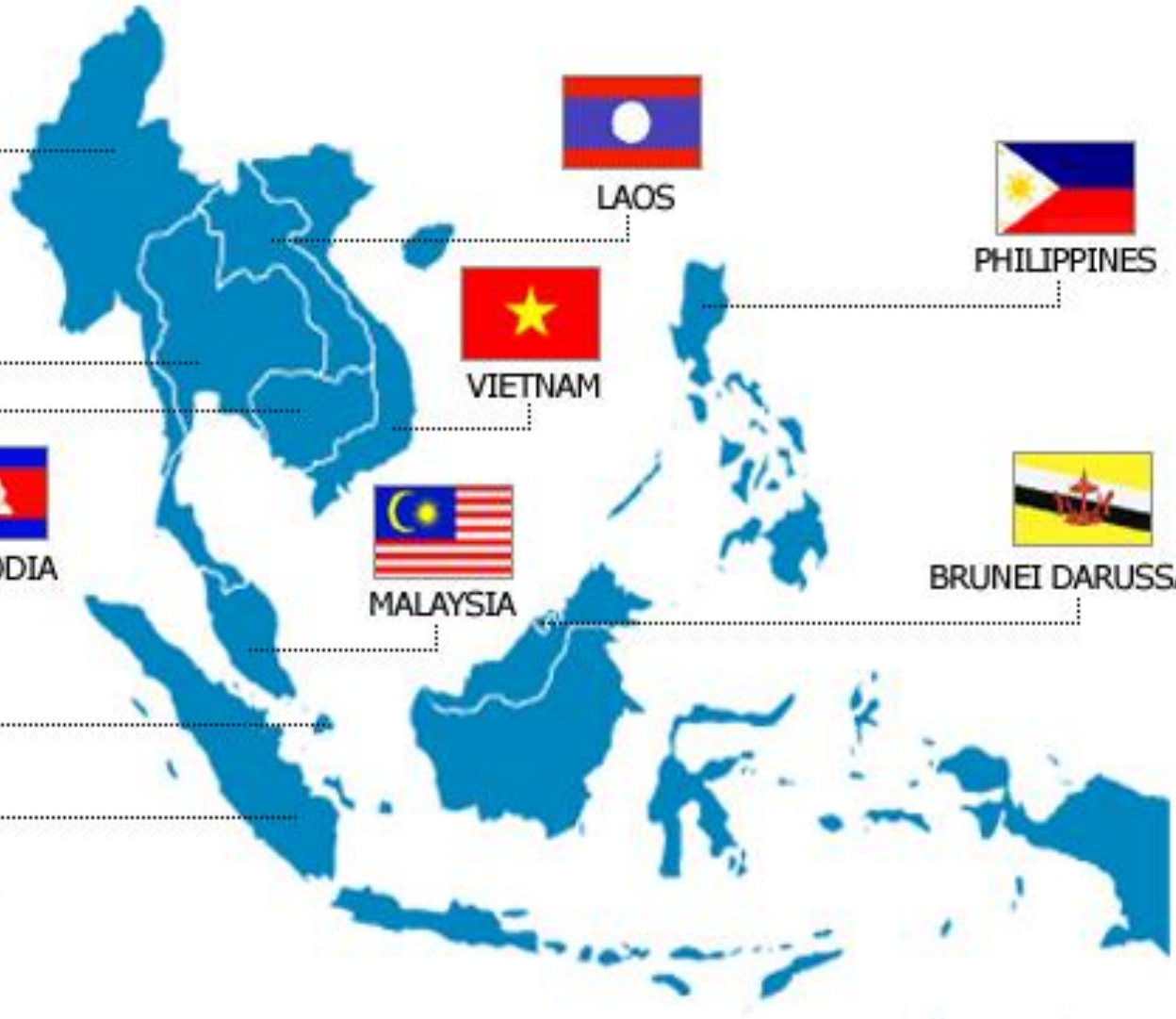
VIETNAM



MALAYSIA



BRUNEI DARUSSALAM



The global body for professional accountants



ASEAN AGREEMENT

Roadmap for an ASEAN Community
(2009-2015)

One vision. One identity. One Community.



The global body for professional accountants



OBJECTIVE

Transform ASEAN into a stable, prosperous, and highly competitive region with equitable economic development, and reduced poverty and socio-economic disparities.

ASEAN ECONOMIC COMMUNITY

9th ASEAN Summit in Bali Indonesia

- Leaders declared Bali Concord II which contains AEC as one of its important pillars.

13th ASEAN Summit in Singapore

- Signing of the Declaration on the ASEAN Economic Community Blueprint and adoption in Nov 2007



KEY CHARACTERISTICS OF AEC

1. A single market and production base
2. A highly competitive economic region
3. A region of equitable development
4. A region fully integrated into the global economy



Free Flow of Professional Services via MRA.





ASEAN MRA OBJECTIVES

- Facilitate **mobility of practitioners** within ASEAN
- Exchange **information** and enhance **cooperation** in respect of mutual recognition of practitioners
- Promote adoption of **best practices** on standards and qualifications
- Provide opportunities for **capacity building** and **training** of practitioners



ASEAN MRAs

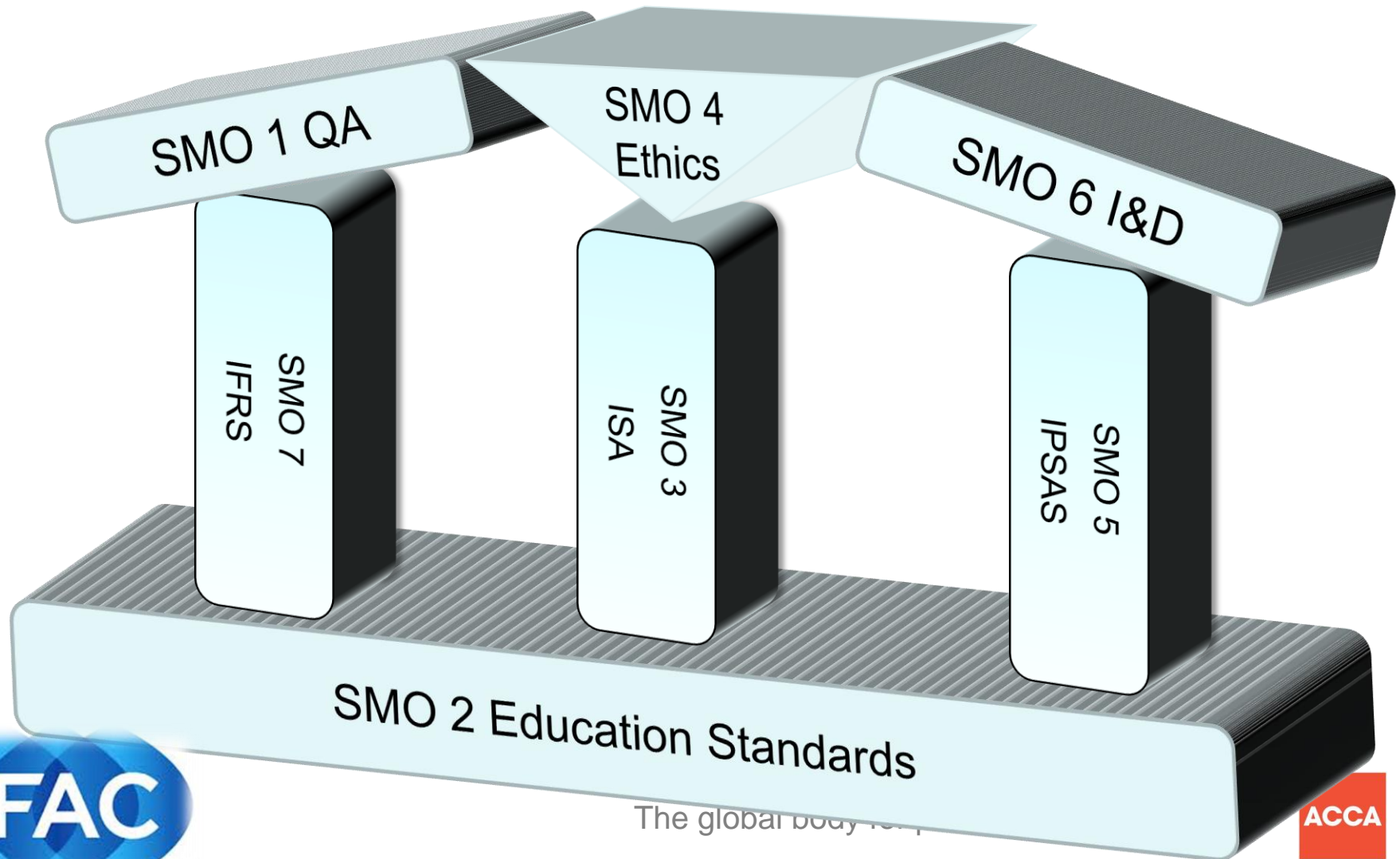
MRA for Professionals	Year	Venue and Date Signed
Engineering Services	2005	Kuala Lumpur 9 Dec 2005
Nursing Services	2006	Cebu 8 Dec 2006
Architectural Services	2007	Singapore 19 Nov 2007
Framework on surveyors	2007	Singapore 19 Nov 2007
Framework on accountancy	2009	Chan-am 26 Feb 2009
Medical Practitioners	2009	Chan-am 26 Feb 2009
Dental Practitioners	2009	Chan-am 26 Feb 2009



MRA FRAMEWORK ON ACCOUNTANCY SERVICES

- Education
- License
- Competencies
- Experience
- Compliance with International Federation of Accountants (IFAC) Standards and Guidelines

Building Blocks of SMOs (Statements of Membership Obligations)



The global body for



SMO 2: INTERNATIONAL EDUCATION STANDARDS

- Professional Accounting Education
- Continuing Professional Development



Role of ASEAN Federation of Accountants and the ASEAN Member Bodies.



AFA

- Provides assistance to ASEAN member bodies on **capacity building** of accountants through exchange of **knowledge** and **best practices**

ASEAN MEMBER BODIES

- Its ASEAN member bodies drive the **adoption**, **harmonization** and **implementation** of international accounting standards and practices.
- All subject to the same benchmark – the SMOs



AFA



10 Regular Members

- Brunei – BICPA
- LAO – LICPA
- Cambodia – KICPAA
- Indonesia – IAI
- Malaysia – MIA
- Myanmar – MICPA
- Philippines – PICPA
- Singapore – ISCA
- Thailand – FAP
- Vietnam - VICPA

4 Associate Members

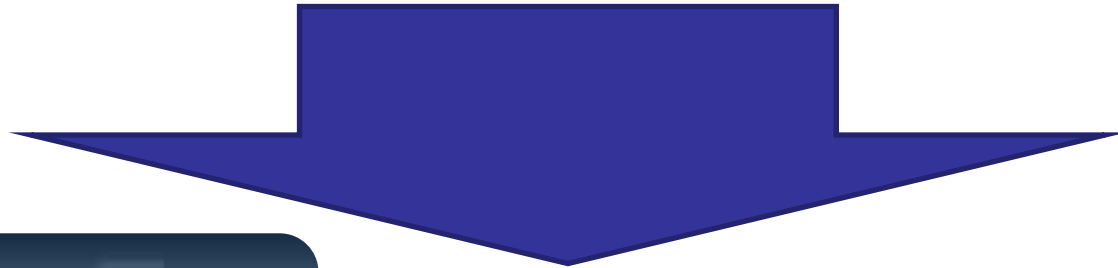
- Association of Chartered Certified Accountants (ACCA)
- Institute of Chartered Accountants of Australia (ICAA)
- CPA Australia
- Institute of Chartered Accountants of England and Wales (ICAEW)



The ASEAN Qualifications Reference Framework (AQRF)

(AQRF)

CONCEPTUAL FRAMEWORK



Mobility of Professionals

Competitiveness of ASEAN Professionals

PURPOSE OF AQRF

To enable comparisons of qualifications across countries that will:

- Support recognition of qualifications
- Facilitate lifelong learning
- Promote and encourage credit transfer and learner mobility
- Promote worker mobility
- Lead to better understood and higher quality qualifications systems

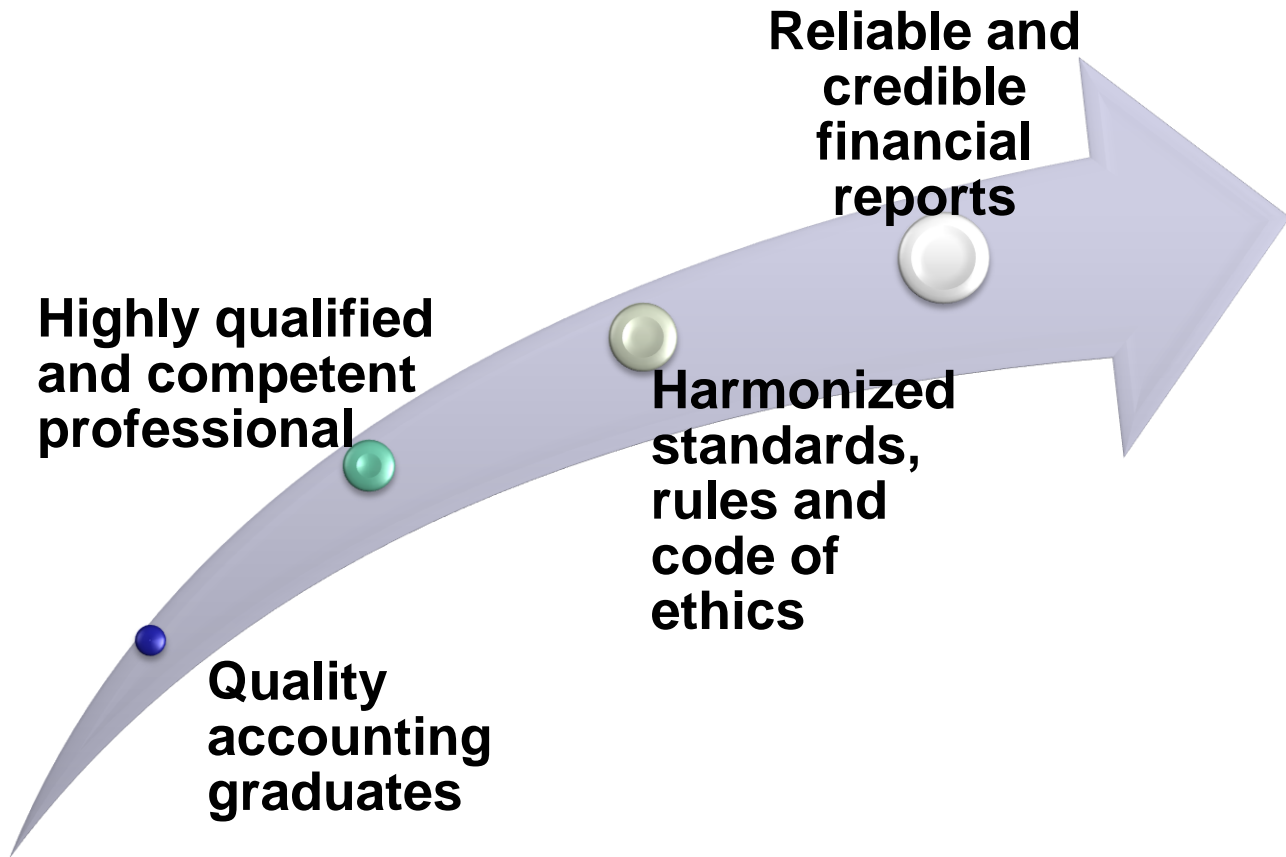
PRINCIPLES OF AQRF

- Based on agreed understanding between member countries. Invites voluntary engagement from countries.
- Process for endorsing AQRF shall be by mutual agreement by participating countries.
- Countries will be able to determine when they will undertake the process of referencing:
 - ✓ Their qualifications framework
 - ✓ System of qualification types
 - ✓ Quality assurance against the framework

QUALITY ASSURANCE

- The functions of the registering and accrediting agencies
- Systems for the assessment of learning and issuing of qualifications
- Regulation of the issuance of certificates

OUTPUTS OF THE ACCOUNTANCY PROFESSION



- Users & investors confidence
- Robust capital market
- Proper tax collection
- Business & economic development

- Business & economic development
- Proper tax collection

CHALLENGES FOR EDUCATORS

- Quality assurance for **accounting graduates**
 - Quality of curriculum implementation
 - Quality of faculty
 - Alignment of academic preparation
- Training and development of **competent practitioners and company accountants** through life long learning (continuing professional development)

CHALLENGES FOR ACCOUNTANTS

- Implementation of the international accounting standards correctly
- Implementation of the International Auditing Standards in the conduct of audit
- Production of credible and reliable financial statements

CHALLENGES FOR PAOs

- Accelerating **compliance** with SMOs through the **adoption** and **implementation** of International Accounting Standards and other IFAC standards
- Providing quality **continuing professional development** seminars and workshops for accountants
- Bringing back the **public confidence** in the audited financial statements

CHALLENGES FOR PAOs

Compliance with IFAC SMOs

Brunei Darussalam (BICPA)	Sep 2012
Cambodia (KICPAA)	Nov 2012
Indonesia (IAI)	May 2013
Laos PDR (LICPA)	<i>In progress</i>
Malaysia (MIA & MICPA)	Nov 2012
Myanmar (MICPA)	<i>In progress</i>
Philippines (PICPA)	Sep 2012
Singapore (ISCA)	Jul 2012
Thailand (FAP)	Feb 2013
Vietnam (VAA)	Nov 2012

CHALLENGES FOR ASEAN

- Harmonization of qualifications of professionals through AQRF
- Implementation of MRA
- Sharing of knowledge and best practices for the development of the accountancy profession in the ASEAN region



CHALLENGES FOR GOVERNMENT

- Diverse groupings of 10 member states
- Improve ranking in “Ease of doing business” survey conducted by the World Bank



CHALLENGES FOR GOVERNMENTS

Rank	Economy	DB2013	DB2013	DB2013 reforms
1	Singapore	1 Singapore		0
2	Hong Kong SAR, China			2
3	New Zealand			1
4	United States			1
5	Denmark			1
6	Norway	6 Malaysia		1
7	United Kingdom			0
8	Korea, Rep.			1
9	Georgia			1
10	Australia	18 Thailand		1
11	Finland			1
12	Malaysia			2
13	Sweden	59 Brunei Darussalam		3
14	Iceland			0
15	Ireland			0
16	Taiwan, China			2
17	Canada	99 Vietnam		1
18	Thailand			1
19	Mauritius			0
20	Germany			1
21	Estonia	108 Philippines		1
22	Saudi Arabia			0
23	Macedonia, FYR			0
24	Japan			0
25	Latvia	120 Indonesia		3
26	United Arab Emirates			0
27	Lithuania			1
28	Switzerland			1
29	Austria	137 Cambodia		0
30	Portugal			4
31	Netherlands			0
32	Armenia			1
33	Belgium	159 Lao PDR		1
34	France			2
35	Slovenia			4
36	Cyprus			0
37	Chile	182 Myanmar		1
38	Israel			0



CHALLENGES FOR GOVERNMENTS

Doing Business 2014

Starting a business

3 Singapore

16 Malaysia

85 Lao PDR

91 Thailand

109 Vietnam

137 Brunei Darussalam

170 Philippines

175 Indonesia

184 Cambodia

189 Myanmar

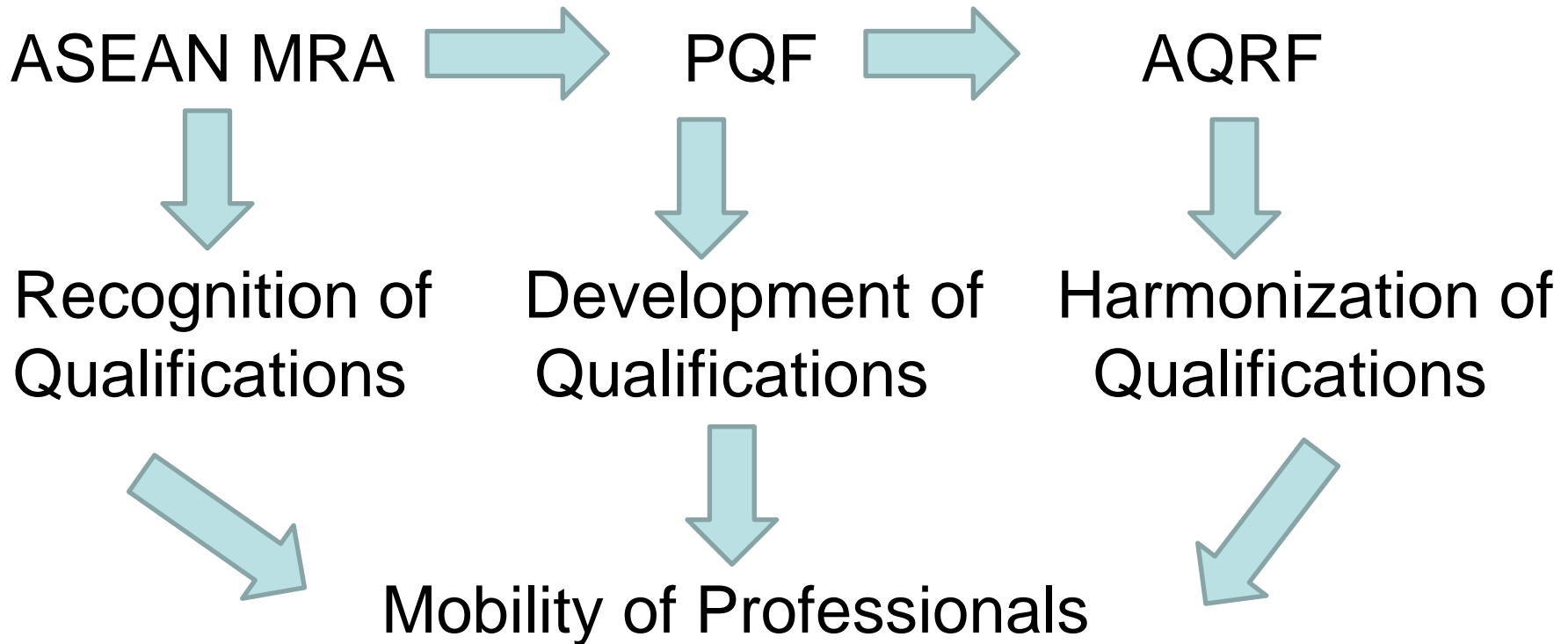
REFERENCES

- Presentation of AQRF Task Force Chairperson Teresita Mansala, Chairman of Philippines Professional Regulation Commission, Oct 15, 2013 2nd Philippine Professional Summit
- Presentation of Szymon Radziszewicz, IFAC CAP Senior Manager April 7, 2013 at PICPA, Philippines
- The World Bank 2013 Survey Doing Business (Measuring Business Regulations)
- <http://www.asean.org/asean/about-asean>
- www.ifac.org/aboutifac/membership/compliance-program/compliance

Thank You!



CONCEPTUAL FRAMEWORK



Competitiveness of ASEAN Professionals