



Monthly International News

Issue 03/ 2008

December 2008

In This Issue

- **The ASEAN Charter Comes into Force on 15 December**
- **ASEAN to Sign Agreement on Commitment for CEPT-AFTA**
- **Global Accountancy Leaders Address Credit Crisis and Focus on Needs of Small Business**
- **IASB Looks at Fast Track Response to Future Crisis**
- **Sir David Tweedie: FASB Has A Future**
- **EU Rules on Waiver for Companies to File in GAAP**
- **IMF Urges Stepped-up Actions to Avert Global Recession**
- **Support for Early Adoption of IFRS Growing Fast (US)**
- **Mark Allison Elected to Lead IFAC's International Accounting Education Standards Board**
- **FASB Changes Accounting Rule for Credit Crisis (USA)**

The ASEAN Charter Comes into Force on 15 December

A ceremony was held at the ASEAN Secretariat to welcome the entry into force of the ASEAN Charter today.

Presiding over the ceremony was H.E. Dr Susilo Bambang Yudhoyono, President of the Republic of Indonesia. He was joined by H.E. Dr Mun Patanotai, Minister of Information and Communication Technology of Thailand representing the ASEAN Chair, the ASEAN Foreign Ministers, and Dr Surin Pitsuwan, Secretary-General of ASEAN.

In his remarks, Dr Surin said, "We at the ASEAN Secretariat pledge to protect and uphold this ASEAN Charter in letter and in spirit for the benefits of all the peoples of ASEAN." "From now on, ASEAN shall operate under the new legal framework laid down in the ASEAN Charter. Quite a few new institutions shall soon be established. The ASEAN Community that is being built will be more rules-based and more people-oriented," he added.

The ceremony to welcome the entry into force was witnessed by the ambassadors from ASEAN, ambassadors from ASEAN Dialogue Partners, the diplomatic corp in Indonesia, as well as representatives from regional and international organisations.

After the ceremony, the Special ASEAN Foreign Ministers' Meeting or Inaugural Meeting of the ASEAN Coordinating Council was convened at the ASEAN Secretariat.

www.aseansec.org

ASEAN to Sign Agreement on Commitment for CEPT-AFTA

A new agreement to further strengthen the Common Effective Preferential Tariff-ASEAN Free Trade Area Agreement 1992 or CEPT-AFTA, has been drawn up and is expected to be signed at the 14th ASEAN Summit in Thailand.

The ASEAN Summit which was scheduled to be held in the middle of this month has been postponed to next March following the political crisis in Thailand.

The Deputy Minister of International Trade and Industry Datuk Jacob Dungau Sagan said all agreements and protocol related to the liberalisation of trade in goods would be included in one new comprehensive agreement for easy reference in an effort to implement commitment.

"The agreement will inculcate discipline among ASEAN countries so that achieving the AFTA objectives in 2015 will be easy," he told the Dewan Negara Wednesday.

Jacob said this while replying to a question from Senator Datin Paduka Norhayati Onn, who had asked if the government would consider speeding up intra Asean free trade.

Under the CEPT-AFTA 1992 agreement, ASEAN countries had agreed to the abolishment of import duties on goods from Jan 1, 2010 for the six original members of ASEAN and from Jan 1, 2015 for Cambodia, Laos, Myanmar and Vietnam.

This year, ASEAN as a whole had abolished import duties for 63.45 percent of all products for intra ASEAN trade, in line with the commitment under the CEPT-AFTA.

For the six original members of ASEAN — Malaysia, Brunei, Singapore, Thailand, Indonesia and the Philippines — the abolishment of import duties has reached 84.94 percent.

Malaysia specifically has abolished the import duties for 82.65 percent of products. The complete abolishment of import duties will be done in 2010.

However, an exemption on import duties will be made for products deemed sensitive such as rice, tropical fruits, tobacco, sugar, liquor and firearms.

http://www.bilaterals.org/article.php3?id_article=13954

Global Accountancy Leaders Address Credit Crisis and Focus on Needs of Small Business

To mark the beginning of World Accountancy Week, the International Federation of Accountants (IFAC) has released the results of its 2008 Global Leadership Survey. This year's survey sought the views of leaders of accountancy institutes worldwide on the current credit crisis and other top issues for the profession. Chief executives and presidents of 110 accountancy organizations* worldwide responded to the survey. The majority of these organizations have been actively engaged, like IFAC, in identifying and executing appropriate responses to the crisis, supporting their members in understanding applicable international standards, and working with regulators, business groups and others to find solutions. Many of these initiatives are featured on IFAC's website in its new page on the global financial crisis (<http://www.ifac.org/financial-crisis/>).

"According to survey respondents, the credit crisis is resulting in increased awareness of the value of professional accountants and the services they provide," says IFAC Chief Executive Ian Ball. "It is now up to the profession to continue to meet the expectations of those that depend on our work and to contribute to rebuilding confidence in financial markets."

Leaders of accountancy organizations reported an increased trend in the need for services that are related in some way to the crisis. For example, in the coming year they expect their members in public practice to be more involved in corporate recovery and insolvency services, assurance services (other than audit), as well as risk and compliance related work. Members employed in business and industry are also expected to be more involved in risk management, as well as in the areas of corporate social responsibility and sustainability, internal control, and governance and compliance work.

Respondents believe that the most important issues for the accountancy profession in the coming year are:

- Addressing the needs of small and medium enterprises (SMEs) and small and medium practices (SMPs);
- Meeting expectations to identify and prevent fraud;
- Dealing with the changing regulatory landscape; and
- Transitioning to International Standards on Auditing.

They also believe it is increasingly important to address the transition to International Financial Reporting Standards, auditor liability issues, the use of new technologies like XBRL, and corporate social responsibility issues.

Recently-appointed IFAC President Robert Bunting has indicated that addressing the needs of SMPs and SMEs will be a priority for IFAC over the next two years.

"The survey confirms that meeting the needs of SMPs and SMEs is a global concern and a global goal. These entities are among those likely to suffer significantly from the current financial crisis yet they are among the least at fault. We must look for ways to mitigate the effect of the crisis on SMPs and SMEs," emphasizes Mr. Bunting.

Other survey results point to an increase in the attractiveness of the profession to students. According to survey respondents, the factors positively influencing students are the career options available and earning potential. However, leaders of accountancy institutes indicated that the two factors having the most negative impact on the attractiveness of the profession are work/life balance and legal liability. Most respondents indicated that they have initiatives in place to address these issues.

During World Accountancy Week, December 7, 2008 to December 13, 2008, accountancy institutes will be communicating the benefits of pursuing a career in accountancy and the role of professional accountants in contributing to economic growth and development.

IFAC is the worldwide organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is currently comprised of 158 professional accountancy bodies in 122 countries, representing more than 2.5 million accountants in public practice, education, government service, industry and commerce. IFAC, through its independent standard-setting boards, sets international standards of ethics, auditing and assurance, education, and public sector accounting. It also issues guidance to encourage high quality performance by professional accountants in business.

<http://www.ifac.org/MediaCenter/?q=node/view/605>

IASB Looks at Fast Track Response to Future Crisis

The International Accounting Standards Board (IASB) could adopt a 'fast track' procedure to respond to future financial crises, Sir David Tweedie, IASB chairman, said yesterday.

He told Reuters political pressure from European leaders last month, which allowed banks to ease mark-to-market accounting rules over a four day period, showed the need to formalise processes, *The Guardian* reports. A fast-track procedure could be added to the board's constitution, which would be triggered by a request from the board to the trustees. 'We're going to clean up impairments,' Tweedie said.

Also in response to the financial crisis, an advisory group has been set up to look at the effects of financial reporting. The group will be co-chaired by Harvey Goldschmid, former commissioner of the US Securities and Exchange Commission, and Hans Hoogervorst, chairman of the Netherlands Authority for the Financial Markets.

Other issues the accounting standard setters were likely to analyse, included categories such as 'held to maturity', and 'available for sale,' and whether companies could make transfers between the categories, enabling them to avoid marking a security to market.

<http://www.accountancyage.com/accountancyage/news/2232410/iasb-looks-fast-track-response>

Sir David Tweedie: FASB Has A Future

US standard setters will continue to have an important role to play even after IFRS is implemented, said international accounting head Sir David Tweedie.

IASB chairman Sir David said FASB was 'not going away', at a Pace University-organised seminar, reported WebCPA.

FASB had helped US and international accounting standards converge and both bodies should protect each other. 'If one goes, the other does as well,' he added.

He expects US and international standards to be in the same 'ballpark' by 2011.

Sir David pointed out France's accounting associations as being less helpful.

The IASB will also publish a report next year looking at what the IASB has learned from the financial crisis.

<http://www.accountancyage.com/accountancyage/news/2232418/sir-david-tweedie-fasb-future>

EU Rules on Waiver for Companies to File in GAAP

EU has formalised a waiver, enabling companies to file financial statements in European markets using US generally accepted accounting principles (GAAP) as well as the accounting standards of five other countries without reconciling them to International Financial Reporting Standards (IFRS).

The measures introduced by the EC declare US GAAP and accounting standards from Canada, China, Japan, South Korea and India 'equivalent' to IFRS as adopted in the EU, WebCPS reports.

Charlie McCreevy, European internal market and services commissioner, welcomed the measures. 'Today's adoption by the commission is a momentous step. It marks the culmination of important work spanning several years,' he said.

EC said that it would review the standards in Canada, China, South Korea and India by 2011 at the latest.

<http://www.accountancyage.com/accountancyage/news/2232603/eu-extends-waver-companies-file>

IMF Urges Stepped-up Actions to Avert Global Recession

The International Monetary Fund (IMF) said on Wednesday that industrialised nations need to take more steps to stimulate their economies to avert a global recession.

"My primary message is that additional – and vigorous – policy action will be needed in order to avoid a serious global downturn," said John Lipsky, IMF deputy managing director, at a speech to the Council for Foreign Relations in New York.

The measures needed to avoid a global downturn should aim at stabilising the financial systems of developed countries and supporting fiscal spending, through monetary and budgetary measures, he said according to the prepared text.

The IMF number-two official recalled that the multilateral institution had called for ambitious economic stimulus plans, marshaling financial firepower of at least 2.0 per cent of economic output by each country.

"We would recommend that some major countries add significantly more than 2.0 per cent of GDP (gross domestic product) in fiscal spending, because others are not in a position to contribute at all," he said, without elaborating.

Lipsky said the measures taken to date in the global financial crisis remain scattershot. To be effective, he said, government measures should support liquidity, recapitalization and the removal of toxic assets from balance sheets.

"Measured by this triple standard, however, virtually all of the policy initiatives implemented thus

far to underpin financial market functionality have tended to be partial, rather than comprehensive," he said.

"Thus, it is not surprising that the downturn in credit growth here and abroad shows no sign of ending. Redoubled efforts across the board will be required if the deleveraging is to be contained without creating substantial further damage to the financial system and to the global economy."

Lipsky said the IMF would scale back its global economic growth forecast "notably" in its January update of the World Economic Outlook report.

In November, the 185-nation institution reduced its 2009 global growth forecast by 0.8 percentage point to 2.2 per cent and projected that advanced economies would contract next year for the first time since World War II.

http://www.channelnewsasia.com/stories/afp_world_business/view/397020/1.html

Support for Early Adoption of IFRS Growing Fast (US)

US company finance professionals in fast increasing numbers are now considering adopting International Financial Reporting Standards (IFRS) sooner than the timetable proposed in the Securities and Exchange Commission (SEC)'s IFRS roadmap.

The latest survey results from Deloitte show almost half - 42% - of more than 200 finance professionals representing companies of various sizes and industries surveyed in November indicated they would consider implementing IFRS sooner than 2014, if they were permitted under the mandated adoption date proposed by the SEC recently.

This is a significant increase on a similar Deloitte IFRS study conducted earlier in 2008 showing 30% of respondents willing to consider adopting IFRS, if given the opportunity.

'We've observed a steady increase in interest around IFRS from all types of US companies, not just multinationals and not just large companies. Company executives are beginning to understand and recognize the potential benefits that will likely result from reporting in IFRS,' Donald Gannon, leader of Deloitte's IFRS service offering in the US, said.

<http://www.accountancyage.com/accountancyage/news/2232832/support-early-adoption-ifrs>

Mark Allison Elected to Lead IFAC's International Accounting Education Standards Board

The International Federation of Accountants (IFAC) has appointed Prof. Mark Allison, MA, CA, as Chair of the International Accounting Education Standards Board (IAESB), an independent standard-setting board under the auspices of IFAC. Mr. Allison's appointment, which has been approved by the Public Interest Oversight Board (PIOB), is for a three-year term, beginning January 1, 2009. The PIOB oversees the IAESB's activities to ensure that they are properly responsive to the public interest.

As Chair of the IAESB, Mr. Allison will lead the IAESB's continuing efforts to develop high quality International Education Standards (IESs) and guidance and promote their convergence globally.

"Mark Allison brings a significant depth of international accountancy education experience to his new role as IAESB Chair," says IFAC CEO Ian Ball. "He will be the driving force behind delivering IAESB's 2010-2012 Strategic and Operational Plan, which focuses on developing good practice

guidance in accountancy education and identifying and communicating the public interest value of IAESB's work."

"It's a great honor to lead the IAESB for the next three years," Mark Allison said of his appointment, "At a time when a great deal of public attention is focused on financial stability, the role of accountants in rebuilding confidence is crucial. The work of the IAESB is important in ensuring that professional accountants have the right training and development to deliver the transparency and quality of financial information that investors and the public expect."

Mr. Allison will combine his role as IAESB Chair with his current position as Executive Director, Education and International at The Institute of Chartered Accountants of Scotland. He also serves as a visiting professor at Robert Gordon University, Scotland. He has more than 20-years of experience participating in accountancy education projects globally with organizations such as the European Union, the World Bank, and the United Nations Conference on Trade and Development (UNCTAD).

<http://www.ifac.org/MediaCenter/?q=node/view/609>

FASB Changes Accounting Rule for Credit Crisis (USA)

The Financial Accounting Standards Board (FASB) has proposed change to accounting rules in an effort to bring greater consistency in reporting impairments for financial instruments affected by the credit crisis.

The proposal is one of four short-term projects, on which the board has been working to improve disclosures on the way companies take writedowns for securities which have lost value because of the credit crisis, Reuters reports.

The board also revealed it would start a joint project with the International Accounting Standards Board (IASB) to better 'address the complexity in existing standards' for accounting and reporting for financial instruments.

FASB expects the proposed change will lead to more consistent accounting judgments on whether other-than-temporary asset impairments have occurred.

<http://www.accountancyage.com/accountancyage/news/2233046/fasb-changes-accounting-rule>

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