



Monthly International News

Issue 02/ 2009

February 2009

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Indonesian Asks ASEAN to Postpone Signing FTA Agreements with Australia, New Zealand

The Indonesian Industry Ministry demanded a postponement of the Association of South East Asian Nations (ASEAN) and Australia, New Zealand Free Trade Agreement (FTA) to protect Indonesian local industry, said an official here on Thursday.

"In such a critical situation, each country tends to strengthen its national products," the Sindo daily on Friday quoted the Ministry's Head for Research and Development Dedy Mulyadi as saying.

According to Dedy, Indonesian local industry was not competitive yet for foreign market penetration, even for protecting domestic market. "The postponement might have taken one or two years ahead," the official said.

He said that though FTA proceeding is under the authority of the Indonesian Trade Ministry, the Industry Ministry has to propose the postponement, because the country's export will decrease, which will hurt its manufacturing sectors amid global financial crisis.

http://www.bilaterals.org/article.php3?id_article=14285

India Begins Debate Over Future of Audit After Satyam

The debate over the future of audit in India after the Satyam scandal has begun in earnest with a senior member of the country's profession calling for change.

KS Mehta, managing partner of SS Kothari Mehta and Co, one of the largest mid-tier firms, has written in the country's business daily asking for a review of auditor rotation, the introduction of partner rotation and a new system for inspecting auditors by the Institute of Chartered Accountants of India.

Mehta also claims the Indian profession needs a strengthened disciplinary process and a special system for high value cases like Satyam.

Mehta writes: 'The Satyam affair has shaken the country's audit profession and regulatory authorities to its roots. Investors have suffered in a big way and Indian business has lost some of its sheen.' Satyam's former chairman Ramalinga Raju admitted in a letter last month that an accounting fraud worth as much as \$1bn had been committed at the IT giant.

Auditors from PricewaterhouseCoopers have been questioned by the police and the professional authorities in India.

<http://www.accountancyage.com/accountancyage/news/2235502/india-begins-debate-future>

New IFAC Sustainability Framework Supports Organizations in Improving Products, Lowering Costs, and Raising Good Will

The Professional Accountants in Business (PAIB) Committee of the International Federation of Accountants (IFAC) has developed a comprehensive Sustainability Framework to support professional accountants and their organizations in integrating a sustainable way of thinking and working in all business processes. The Framework illustrates how a commitment to sustainability can help to further improve an organization's products or services, motivate its people, lower its costs and enhance its reputation.

Designed from four different perspectives - business strategy, internal management, financial investors, and other stakeholders - the new Framework challenges conventional ways of thinking about economic, social and environmental achievements. It also promotes the injection of sustainability leadership into the full management cycle, from making and executing strategic decisions to reporting on performance to all stakeholders.

Roger Adams, chair of the PAIB Committee's Sustainability Framework Project, highlights the holistic view of sustainability taken by the Framework: "It recognizes the importance of the three main dimensions of sustainability: economic viability, social responsibility, and environmental responsibility, as well as their interconnectivity. We hope that this Sustainability Framework provides the means and motivation for professional accountants to address sustainability issues with greater vigor."

"Although the accounting sector itself might be considered a relatively low-impact sector in terms of direct environmental and social impacts, it is the accountant's involvement in the twin issues of organizational decision-making and external reporting that imposes on the accountancy profession the responsibility for understanding, absorbing and articulating the implications of the sustainable development debate," emphasizes Mr. Adams.

IFAC's Sustainability Framework is a web-based tool that allows users to easily navigate those sustainability issues that are most important to their immediate roles and to select and use those examples of good sustainability practice that can work in their organizations.

The Sustainability Framework can be accessed free-of-charge on the International Center for Professional Accountants in Business section of the IFAC website at: www.ifac.org/PAIB.

<http://www.ifac.org/MediaCenter/?q=node/view/614>

G20 to Draft New World Economy Rules by April Summit - Kudrin

Measures to adapt the world economy to new challenges amid the global financial crisis could be prepared before the G20 summit in April, Russian Finance Minister Alexei Kudrin said on Monday.

The summit of the G20 Group of industrial nations and leading emerging-market economies will be held on April 2 in London to discuss specific measures aimed at resolving the ongoing global financial crisis.

"The point at issue is the adoption of new accounting, auditing and banking reporting rules," Kudrin said, adding that Basel II Accord reporting rules had to be improved.

Kudrin also said it was necessary to introduce uniform financial standards aimed at maintaining macroeconomic stability.

Kudrin said Russia was in constant discussion with the financial authorities of leading economies and taking efforts to join as soon as possible the Financial Stability Forum, which is designed to play a key role in shaping a global financial architecture.

"These issues will be raised at the G8 summit of financial ministers in Rome to be held this week," Kudrin said.

The Financial Stability Forum (FSF) was established in 1999 to promote international financial stability through information exchange and international cooperation in financial supervision and surveillance.

The FSF comprises central banks, supervisory authorities and treasury departments of leading economies and international financial institutions.

<http://www.en.rian.ru/russia/20090209/120050280.html>

IFAC Seeks Nominations for 2010 Board and Committee Members and Three Chairs

The International Federation of Accountants (IFAC), the global organization for the accountancy profession, is seeking nominations for members of its boards and committees for 2010, including three chair positions on standard-setting boards. Five positions are designated for public members, who may be nominated by IFAC member bodies, by members of the public, or via a self-nomination. Seven positions are only open to nominations by the Forum of Firms.¹ Candidates for all other positions may be nominated by IFAC member bodies. Nominations must be submitted before April 15, 2009. All members of IFAC's boards and committees are expected to act in the public interest and must sign a declaration committing to act with integrity and in the public interest in their role within IFAC.

Nominations for Members and Chairs of Boards and Committees

Nominations can be submitted for the following boards and committees:

- IFAC Board;
- International Auditing and Assurance Standards Board;
- International Accounting Education Standards Board;
- International Ethics Standards Board for Accountants (including chair position);
- International Public Sector Accounting Standards Board (including chair position);
- Compliance Advisory Panel (including chair position);
- Developing Nations Committee;
- Professional Accountants in Business Committee;
- Small and Medium Practices Committee; and
- Nominating Committee.

The IFAC Nominating Committee will review the nominations to determine the best candidate for a specific position. IFAC strives for a geographical, professional, and gender balance on its boards and committees; nominations of candidates from varying backgrounds are therefore encouraged. However, the principle of the “best candidate for the job” is the overriding consideration.

Public Member Nominations

IFAC is also seeking nominations for one public member position on each of the following boards: the International Auditing and Assurance Standards Board, the International Accounting Education Standards Board, and the International Public Sector Accounting Standards Board. Two public member positions are open on the International Ethics Standards Board for Accountants. Public members must be seen to be independent of any special interests and to clearly represent the wider public interest. Nominees for the public member positions must have an adequate level of knowledge about the work of the respective standard-setting board, although they do not need to have a professional accountancy designation.

Nominations by the Forum of Firms

A total of seven positions on the standard-setting boards are open to nominations from members of the Forum of Firms: one on the International Auditing and Assurance Standards Board, two on the International Accounting Education Standards Board, and four on the International Ethics Standards Board for Accountants.

How to Submit Nominations

The *Call for Nominations for IFAC Boards and Committees in 2010* describes the positions available and the qualifications required for each position, as well as the process for submitting nominations. It may be viewed on IFAC's website at <http://www.ifac.org/NominatingCommittee/index.php#Process>.

All nominations must be submitted by April 15, 2009 using the online [Candidate Information System](http://nominations.ifac.org) at <http://nominations.ifac.org>. For more information about the role and activities of each of IFAC's boards and committees, visit the designated pages on the IFAC website at <http://www.ifac.org/>.

<http://www.ifac.org/MediaCenter/?q=node/view/616>

Asian Development Bank Wants Capital Tripled

The Asian Development Bank hopes to secure a three-fold capital boost in May so it can help emerging nations through the economic crisis and support environmental projects, its head said Thursday.

"Given the credit crunch in the international financial market, it is all the more important to ensure developing countries have access to foreign funds," ADB president Haruhiko Kuroda told reporters here.

"We need to increase the ADB's capital by a large margin as soon as possible," he said.

The Manila-based development bank hopes its shareholders will approve the proposed increase in funding at its annual meeting in Bali, Indonesia on May 4-5, he said.

It would be the ADB's first capital boost in 15 years and the largest since it was set up in 1966 with a mission to lend to developing Asian economies that might struggle to raise affordable funds on their own.

If the ADB's capital is tripled, the bank could lend 13 billion dollars a year, enough to offer assistance in new areas such as tackling environmental problems and the current economic crisis, Kuroda said.

The fresh capital would come from the ADB's shareholder nations. Japan and the United States are the biggest contributors with shares of 15.6 percent each in the bank, which has more than 60 member countries.

Japanese officials said last month that member countries agreed on the need for an urgent capital boost for the ADB.

http://www.channelnewsasia.com/stories/afp_world_business/view/410071/1/.html

Accountants Hold Off on Switch to International Standards (USA)

A challenging economy has applied the brakes to a globalization of U.S. accounting standards, which had been speeding along.

Securities and Exchange Commission Chairwoman Mary Shapiro said Feb. 4 that she would like to take a deep breath and review the timeline for implementing International Financial Reporting Standards. IFRS is a set of internationally developed accounting standards that eventually could replace the Generally Accepted Accounting Principals (GAAP) used in the United States. The SEC's plan initially allowed early adopters to use IFRS by 2010 and required all public companies to adopt it by 2016.

Cheryl McConnell, professor of accounting at Rockhurst University's Helzberg School of Management, said investors in this economy need consistent and comparable financial statements. They won't get that shifting to IFRS.

"There is no question that the urgency we all felt for educating (accounting/auditing) students into IFRS has diminished now," McConnell said. "That said, we are actively seeking to educate our students for a new global world."

Rick Mills, president of CBIZ Accounting, Tax and Advisory Services, said the cost of converting to IFRS also plays a role. He said the top 100 U.S. corporations would pay about \$20 million each to convert to IFRS. Smaller public companies will pay about \$2 million each.

"So that's pretty high considering the economy we're in right now," Mills said.

The move to IFRS may slow but won't stop, he said. So CBIZ continues to train employees for an inevitable conversion.

Grant Thornton partner Mike Krzus said the future of accounting will see a combination of IFRS and eXtensible Business Reporting Language (XBRL), a new interactive electronic data system. The XBRL system, being phased into public companies during the next three years, allows people to easily compare numbers for different companies. XBRL will be more useful with the addition of new non-financial data to help investors make better decisions, he said.

"What's more important, knowing the health of a pharmaceutical company's production plant in Indiana or knowing how many new drugs are in the pipeline?" Krzus said.

<http://albuquerque.bizjournals.com/albuquerque/othercities/kansascity/stories/2009/02/23/story13.html?b=1235365200%5E1781989>

Taiwan Pursuing Free Trade Pacts with ASEAN States

Taiwan is pushing for bilateral free trade agreements with individual Association of Southeast Asian Nations (ASEAN) members as a more feasible way for the country to participate in regional economic integration, a Ministry of Foreign Affairs (MOFA) official said Tuesday.

Because Taiwan is neither an ASEAN dialogue or development partner, it will be more difficult for the country to forge a free trade pact with the association as a whole than taking a bilateral approach, said Frances Lee, deputy director-general of MOFA's Department of East Asian and Pacific Affairs, in a press briefing.

With ASEAN countries looking to set up a free trade zone with China, Japan and South Korea as early as 2010, Taiwan is afraid of being economically marginalized in the region.

If it is left behind in the integration process, its goods sold to countries in the region will face higher duties than those offered by its main competitors.

Taiwan is currently focusing its efforts on negotiating with ASEAN countries that have greater trade ties with Taiwan, including Singapore, Malaysia and Thailand, as bilateral free trade deals with those countries would be mutually beneficial, Lee said.

Taiwan may also try to work out special arrangements with individual ASEAN nations to lower tariffs in specific industries, which would have a similar impact as a free trade deal, she said.

Lee stressed that Taiwan already has close economic ties with ASEAN states, as overall trade with the association's 10 members totaled US\$63 billion last year. Taiwan is also among the top three sources of foreign investment in Thailand, Malaysia, Vietnam and Cambodia.

Meanwhile, around 2 million people traveled between Taiwan and ASEAN countries in 2008, while there were approximately 357,000 migrant workers from Southeast Asia employed in Taiwan as of the end of last year, Lee said.

http://www.bilaterals.org/article.php3?id_article=14498

MNCs Outside Asean Gaining More From Liberalisation

Multinational corporations (MNCs) from outside Asean are taking better advantage of the region's trade and investment liberalisation than the companies from within, Secretary General of Asean, Dr Surin Pitsuwan said.

"Yet the business community of Asean is the real nuts and bolts of the integration of the region. We must have more small and medium enterprises and invest in each other's economies."

Asean, a region of 570 million in population is a huge consumer market, especially with the growing number of middle-income group, he told the business community attending the 2008 Asean Business and Investment Summit here, today.

"The middle income population in Asean is not less than those of China or India. So, definitely the purchasing power in the region is very attractive for business, investors and for multinational corporations looking at markets around the world," he said.

Therefore, businesses must look into the opportunities in each other's economy and take some amount of risk in order to push up the integration of the region, making it one single market under the Asean Economic Community by 2015.

He said out of the US\$1.6 trillion Asean's trade with the rest of the world, 25 percent was from within Asean. Intra-trade in Asean should be increased to 35 or 40 percent by 2015, he said.

Similarly, out of the US\$63.3 billion Foreign Direct Investment (FDI) that came into Asean market in 2007, only 15 percent was from within the Asean countries.

"We must increase that. We want to see more and more of you in the entire landscape of Asean rather than just taking comfort inside the respective markets," said Surin.

Surin warned that as Asean inked more Free Trade Agreements (FTAs) with larger economies the competition will intensify and therefore it was important for Asean business community to take advantage of their own market now.

Asean will seal FTA with Australia and New Zealand during the current 14th Asean Summit. The grouping is also negotiating with European Union for similar pact.

He said there was also greater confidence in the global economic and business community about Asean as well as South East Asia, "there are hopes all across the globe and they are looking at us as another pillar in sustaining global financial and economic stability."

The confidence comes from the fact that this region's savings are higher than any other region in the world, while its economic fundamentals are very sound compared with the rest of the world, he said.

"Our banks are not exposed to the toxic assets," he said, adding that the financial institutions in Asean are well regulated especially after the 1997/98 financial crisis.

Hence, in their calculation Asean has a good chance of success and East Asia as a whole has better change of recovery sooner than any other part of the world.

"We could help sustain the global economy and cushion the negative impact on us and on the world. They (other regions) know that if we succeed they can depend on us and the world will have one less region to worry about," said Surin.

http://www.bilaterals.org/article.php3?id_article=14516

Survey: Accountants Need Better Training

Companies are restricting training for accountants and are often failing to assess the effectiveness of 'continuous professional development', new research has found.

Almost one in five companies said they only offered training to qualified accountants, while one in three restricted their training to finance staff at the head office, according to a global survey of 400 companies by the Association of Chartered Certified Accountants.

One in five companies questioned said they were not recording the effectiveness of training.

'Although the level of financial resources being allocated to professional development programmes does not appear to be diminishing, investment returns are likely to suffer unless better practices are adopted,' said Jamie Lyon, senior manager of professional development at ACCA and author of the report.

He added that a lack of career development opportunities is typically cited as the key reason why organisations fail to retain staff.

'Whilst there may be short term imperative for organisations to cut costs and staff, we know that over the longer term, proper investment in people yields longer terms benefits. It's about targeted spending in the right areas.'

The majority of companies surveyed (60%) said they had seen an increase in their training budgets over the past three years, although the impact of the economic crisis is not yet fully known, ACCA said.

The most common professional development activities are further qualifications, coaching and mentoring.

<http://www.accountancyage.com/accountancyage/news/2237334/acca-survey-accountants-better>

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