



AAT response to IFAC Board Exposure Draft: Statements of Membership Obligations 1- 7 (Revised)

Submitted by AAT
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1. AAT (Association of Accounting Technicians) welcomes the opportunity to comment on the IFAC Board Exposure Draft: Statements of Membership Obligations 1 – 7 (Revised). As an Associate of IFAC, AAT has participated in the IFAC Member Body Compliance Program since its inception in 2004. The proposed changes represent evolution not revolution. We support the key principles followed in revising the SMOs, agree that the core elements of the Program should remain and believe that the changes to the SMOs make the requirements and expectations of IFAC clearer.
2. AAT also submitted an application for AAT membership in 2011 (still under consideration). The membership application process required close engagement with the current SMOs. The proposed revisions represent an overall improvement.
3. It is evident that the proposed revised SMOs draw heavily on IFAC and member bodies' experiences of using the SMOs. We welcome this reflective and iterative process which has identified some areas where there is a lack of clarity and consistency and has addressed them.
4. There is a risk that the proposed changes may be perceived by some as reducing the rigour of the Program because they acknowledge the diversity of the national legal and regulatory frameworks in which IFAC Members and Associates operate and they recognise that bodies of professionals operate in different sectors of the economy. The Exposure Draft recognises that member bodies in different jurisdictions may have different degrees of responsibility for meeting the requirements of each SMO. However AAT's view is that IFAC is wise to address the practical reality of the environment in which member bodies operate and to revise SMOs accordingly. The alternative would be to require a consistent compliance with the SMOs which could potentially exclude reputable organisations from IFAC membership.
5. AAT agrees that the best endeavours concept is effective and welcomes the proposed revisions which make it clearer what the concept means for IFAC Members and Associates.
6. The proposed Applicability Framework is a welcome addition and provides a useful tool for member bodies to assist them in understanding their obligations. In the view of AAT, it increases the rigour of the Program whilst acknowledging the diversity of bodies and their different circumstances and responsibilities. It will also provide IFAC with a means of comparing the circumstances of member bodies and encouraging collaboration and the sharing of information and experiences amongst bodies grappling with similar challenges. AAT finds the framework clear and straightforward.



7. AAT welcomes the greater clarity about requirements signposted by the use of the word 'shall'.
8. AAT applauds the use of Plain English principles because it helps to make the SMOs clearer particularly for those for whom English is not a first language. Along with the agreement to extend translation of standards, the use of Plain English will help to make IFAC more globally accessible.
9. The replacement of 'incorporation' by 'adoption and implementation' together with the careful explanation of the new terminology and the associated guidance is a great improvement.
10. AAT does not have any comments on the additional changes to individual SMOs all of which appear to be sensible improvements based on the understanding developed by IFAC from the operation of the Program to date.
11. AAT welcomes and supports the proposals in the Exposure Draft and commends the Compliance Advisory Panel and Compliance staff for their efforts.

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