

**MINUTES OF THE SPECIAL ELECTRONIC MEETING OF THE
INTERNATIONAL FEDERATION OF ACCOUNTANTS COUNCIL
Held on September 3, 2014, 9:00 – 11:00 AM (New York Time)**

ATTENDANCE LIST

Chair: Warren Allen (President)

Secretary: Fayezul Choudhury (Chief Executive Officer)

Legal Counsel: Vincent Pfammatter (Lenz & Staehelin, Geneva, Switzerland)

Members	Voting Representative¹	Technical Advisor
ALBANIA <i>Institute of Authorized Chartered Auditors of Albania</i>	H. Cela	
ARGENTINA <i>Federación Argentina de Consejos Profesionales de Ciencias Económicas</i>	R. Nicastro	
AUSTRALIA <i>The Institute of Chartered Accountants in Australia</i>	R. Grimes	
AUSTRALIA <i>Institute of Public Accountants</i>	A. Conway	
AUSTRALIA <i>CPA Australia</i>	A. Malley	
AUSTRIA <i>Institut Österreichischer Wirtschaftsprüfer</i>	M. Schober	A. Weber
BAHAMAS <i>The Bahamas Institute of Chartered Accountants</i>	D. Osbourne	
BELGIUM <i>Institut des Experts-comptables et des Conseils Fiscaux – Instituut Van de Accountants en de Belastingconsulenten</i>	B. Vanderstichelen	E. Steghers
BELGIUM <i>Instituut van de Bedrijfsrevisoren - Institut des Réviseurs d'Entreprises</i>	D. Kroes	
BOLIVIA <i>Colegio de Auditores de Bolivia</i>	G. Gil	

¹ These voting representatives were duly registered and confirmed attendance.

Members	Voting Representative¹	Technical Advisor
BOSNIA AND HERZEGOVINA <i>Association of Accountants and Auditors of Republic of Srpska</i>	N. Kondic	
BRAZIL <i>Conselho Federal de Contabilidade</i>	M. Bugarim	
BRAZIL <i>Instituto dos Auditores Independentes do Brasil</i>	G. Andrade	
CANADA <i>The Canadian Institute of Chartered Accountants</i>	K. Dancey	
CAYMAN ISLANDS <i>Cayman Islands Society of Professional Accountants</i>	L. Bowyer	
CHINA <i>The Chinese Institute of Certified Public Accountants</i>	C. Yang	
CHINESE TAIWAN <i>Federation of CPA Associations of Chinese Taiwan</i>	S. Hseu	
CZECH REPUBLIC <i>Chamber of Auditors of the Czech Republic</i>	J. Mikyna	
DENMARK <i>FSR - danske revisorer</i>	C. Jepsen	
FRANCE <i>Compagnie Nationale des Commissaires aux Comptes</i>	J. Potdevin	J. Delespaul
FRANCE <i>Conseil Supérieur de l'Ordre des Experts-Comptables</i>	P. Arraou	J. Delespaul
GEORGIA <i>Georgian Federation of Professional Accountants and Auditors</i>	L. Tchumburidze	
GERMANY <i>Institut der Wirtschaftsprüfer</i>	W. Schruff	
GERMANY <i>Wirtschaftsprüferkammer</i>	C. Securs	J. Engelhardt
GHANA <i>The Institute of Chartered Accountants (Ghana)</i>	K. Omane-Antwi	F. Moore
GREECE <i>Institute of Certified Public Accountants of Greece</i>	V. Rizoulis	

Members	Voting Representative¹	Technical Advisor
HONG KONG, SAR <i>Hong Kong Institute of Certified Public Accountants</i>	C. Joy	
INDIA <i>The Institute of Chartered Accountants of India</i>	G. Ramaswamy	K. Raghu
INDIA <i>The Institute of Cost Accountants of India</i>	D. Prasad As	
INDONESIA <i>Ikatan Akuntan Indonesia</i>	E. Husin	
IRELAND <i>Chartered Accountants Ireland</i>	R. Nolan	P. Costello
IRELAND <i>The Institute of Certified Public Accountants in Ireland</i>	E. Siggins	
ISRAEL <i>Institute of Certified Public Accountants in Israel</i>	D. Goldberg	
ITALY <i>Consiglio Nazionale dei Dottori Commercialisti e Degli Esperti Contabili</i>	N. Di Segni	
JAMAICA <i>The Institute of Chartered Accountants of Jamaica</i>	P. Monroe-Ellis	
JAPAN <i>The Japanese Institute of Certified Public Accountants</i>	T. Umino	
JORDAN <i>Jordanian Association of Certified Public Accountants</i>	H. Kawasmy	
KENYA <i>Institute of Certified Public Accountants of Kenya</i>	B. Okundi	P. Ngumi
KOREA, REPUBLIC OF <i>Korean Institute of Certified Public Accountants</i>	I. Joo	
MACEDONIA, FORMER YUGOSLAV REPUBLIC <i>Institute of Certified Auditors of the Republic of Macedonia</i>	B. Atanasovski	
MADAGASCAR <i>Ordre des Experts Comptables et Financiers de Madagascar</i>	B. Razananirina	R. Rakotobe
MALAYSIA <i>Malaysian Institute of Accountants</i>	H. Moi	

Members	Voting Representative¹	Technical Advisor
MALAYSIA <i>The Malaysian Institute of Certified Public Accountants</i>	Y. Foo	
MALTA <i>The Malta Institute of Accountants</i>	N. Zerafa	
MEXICO <i>Instituto Mexicano de Contadores Públicos, A.C.</i>	L. Ortega	
MOLDOVA, REPUBLIC OF <i>Association of Professional Accountants & Auditors of the Republic of Moldova</i>	M. Selaru	
MONGOLIA <i>Mongolian Institute of Certified Public Accountants</i>	L. Badamkhand	
MOROCCO <i>Certified Public Accountants Association (OEC Morocco)</i>	M. Fraiha	
NETHERLANDS <i>Nederlandse Beroepsorganisatie van Accountants</i>	B. Wammes	
NORWAY <i>Den norske Revisorforening</i>	N. Byrkjeland	
PAKISTAN <i>Institute of Cost and Management Accountants of Pakistan</i>	Z. Awan	
POLAND <i>Accountants Association in Poland</i>	A. Kamela-Sowinska	
POLAND <i>National Chamber of Statutory Auditors</i>	B. Dębicki	
PORTUGAL <i>Ordem dos Revisores Oficiais de Contas</i>	O. Figueiredo	
ROMANIA <i>Corpul Expertilor Contabili si Contabililor Autorizati din Romania</i>	D. Vulcan	G. Stan
ROMANIA <i>The Chamber of Financial Auditors of Romania</i>	H. Neamtu	
RUSSIAN FEDERATION <i>The Institute of Professional Accountants of Russia</i>	E. Kuposova	

Members	Voting Representative¹	Technical Advisor
SENEGAL <i>Ordre National des Experts Comptables et Comptables Agréés de sénégal</i>	M. Fall	
SERBIA, REPUBLIC OF <i>Serbian Association of Accountants and Auditors</i>	Z. Skobic	
SINGAPORE <i>Institute of Singapore Chartered Accountants</i>	F. Lee	C. Yee
SLOVENIA <i>The Slovenian Institute of Auditors</i>	M. Duhovnik	
SOUTH AFRICA <i>The South African Institute of Chartered Accountants</i>	T. Nombembe	A. Omar
SOUTH AFRICA <i>The South African Institute of Professional Accountants</i>	S. Daniels	
SPAIN <i>Instituto de Censores Jurados de Cuentas de España</i>	M. Alonso	
SWITZERLAND <i>Treuhand-Kammer-Swiss Institute of Certified Accountants and Tax Consultants</i>	S. Ceresola	
TUNISIA <i>Ordre des Experts Comptables de Tunisie</i>	W. Khrouf	
TURKEY <i>Expert Accountants' Association of Turkey</i>	M. Turker	
TURKEY <i>Union of Chambers of Certified Public Accountants of Turkey</i>	A. Sayar	
UNITED KINGDOM <i>Association of Accounting Technicians</i>	R. Banfield	M. Farrar
UNITED KINGDOM <i>The Association of Chartered Certified Accountants</i>	M. Turner	
UNITED KINGDOM <i>The Chartered Institute of Public Finance and Accountancy</i>	R. Whiteman	
UNITED KINGDOM <i>The Institute of Chartered Accountants in England & Wales</i>	J. Ettridge	

Members	Voting Representative¹	Technical Advisor
UNITED KINGDOM <i>The Institute of Chartered Accountants of Scotland</i>	A. Colella	
UNITED KINGDOM <i>Institute of Financial Accountants</i>	D. Woodgate	
UNITED STATES <i>American Institute of Certified Public Accountants</i>	S. Coffey	J. Knafo
UNITED STATES <i>Institute of Management of Accountants</i>	J. Thomson	
URUGUAY <i>Colegio de Contadores Económistas y Administradores del Uruguay</i>	J. Bergalli	

Associates	Representative	Representative
ALBANIA <i>Albanian Institute of Certified Accountants</i>	J. Naqellari	
NIGERIA <i>The Association of National Accountants of Nigeria</i>	H. Ibrahim	S. Tunji Labode
PAKISTAN <i>Pakistan Institute of Public Finance Accountants</i>	M. Maqbool	R. Muzammil
Palestine <i>Palestinian Association of Certified Public Accountants</i>	J. Milhem	
SRI LANKA <i>Association of Accounting Technicians of Sri Lanka</i>	L. Watawala	

Recognized Regional Organizations	Representative	Representative
<i>Confederation of Asian and Pacific Accountants</i>	S. Mudalige	
<i>Interamerican Accounting Association</i>	G. Gil	T. Flores
<i>Pan African Federation of Accountants</i>	V. Ncube	M. Assad
<i>Fédération des Experts Comptables Européens</i>	O. Boutellis-Taft	

Acknowledged Accountancy Groupings	Representative	Representative
<i>Fédération Internationale des Experts Comptables Francophones</i>	M. Cartier le Guerinel	

Proxies	
Given by	Given to
Austria <i>Kammer der Wirtschaftstrehänder</i>	<i>Institut Österreichischer Wirtschaftsprüfer</i>
Azerbaijan <i>The Chamber of Auditors of Azerbaijan Republic</i>	<i>Expert Accountants' Association of Turkey</i>
Bangladesh <i>The Institute of Cost and Management Accountants of Bangladesh</i>	<i>IFAC President</i>
Botswana <i>Botswana Institute of Chartered Accountants</i>	<i>IFAC President</i>
Cameroon <i>The Institute of Chartered Accountants of Cameroon</i>	<i>Ordre National des Experts Comptables et Comptables Agréés du Sénégal</i>
Canada <i>Certified General Accountants' Association of Canada</i>	<i>The Canadian Institute of Chartered Accountants</i>
Canada <i>CMA Canada</i>	<i>The Canadian Institute of Chartered Accountants</i>
Colombia <i>Instituto Nacional de Contadores Públicos de Colombia</i>	<i>IFAC President</i>
Cote D'Ivoire <i>Ordre des Experts Comptables et Comptables Agrées de Cote d'Ivoire</i>	<i>Ordre National des Experts Comptables et Comptables Agréés du Sénégal</i>
Dominican Republic <i>Instituto de Contadores Públicos Autorizados de la República Dominicana</i>	<i>Interamerican Accounting Association</i>
Egypt <i>The Egyptian Society of Accountants & Auditors</i>	<i>IFAC President</i>
Fiji <i>Fiji Institute of Accountants</i>	<i>IFAC President</i>
Finland <i>HTM-tilintarkastajat ry - GRM- revisorer rf</i>	<i>FSR - danske revisorer</i>

Proxies	
Given by	Given to
Finland <i>KHT-yhdistys – Föreningen CGR ry</i>	<i>FSR - danske revisorer</i>
Haiti <i>Ordre des Comptables Professionels Agrées d'Haiti</i>	<i>IFAC President</i>
Iceland <i>Félag Löggiltra Endurskodenda</i>	<i>FSR - danske revisorer</i>
Kosovo <i>Society of Certified Accountants and Auditors of Kosovo</i>	<i>IFAC President</i>
Lesotho <i>Lesotho Institute of Accountants</i>	<i>Pan African Federation of Accountants</i>
Malawi <i>The Society of Accountants in Malawi</i>	<i>Pan African Federation of Accountants</i>
Namibia <i>Institute of Chartered Accountants of Namibia</i>	<i>IFAC President</i>
New Zealand <i>New Zealand Institute of Chartered Accountants</i>	<i>IFAC President</i>
Nicaragua <i>Colegio de Contadores Públicos de Nicaragua</i>	<i>Interamerican Accounting Association</i>
Panama <i>Colegio de Contadores Públicos Autorizados de Panamá</i>	<i>IFAC President</i>
Paraguay <i>Colegio de Contadores del Paraguay</i>	<i>Interamerican Accounting Association</i>
Peru <i>Junta de Decanos de Colegios de Contadores Publicos del Peru</i>	<i>Interamerican Accounting Association</i>
Philippines <i>Philippine Institute of Certified Public Accountants</i>	<i>IFAC President</i>
Russia <i>Russian Collegium of Auditors</i>	<i>IFAC President</i>

Proxies	
Given by	Given to
Sierra Leone <i>The Institute of Chartered Accountants of Sierra Leone</i>	<i>IFAC President</i>
Sweden <i>Far</i>	<i>FSR - danske revisorer</i>
Tanzania <i>National Board of Accountants and Auditors</i>	<i>Pan African Federation of Accountants</i>
United Kingdom <i>The Chartered Institute of Management Accountants</i>	<i>IFAC President</i>
Zambia <i>Zambia Institute of Chartered Accountants</i>	<i>Pan African Federation of Accountants</i>

Additional Member Body Representatives in Attendance²
Association of Chartered Certified Accountants <i>A. Steele</i>
Chamber of Hungarian Auditors <i>F. Eperjesi</i>
Federation of Accounting Professions <i>V. Chattanrassamee</i>
Institute of Certified Public Accountants of Kenya <i>F. Riaga</i>
Institute of Chartered Accountants of Trinidad & Tobago <i>S. Golding</i>
Lithuanian Chamber of Auditors <i>J. Kirvaitiene</i>
The Institute of Chartered Accountants of Pakistan <i>N. Akhtar Sheikh</i>

² These Member representatives are (a) invited observers in addition to the Member Designated Representative and technical advisor who participated in the electronic meeting or (b) representatives who participated in the electronic meeting but did not either register in advance or confirm their attendance through the required channels.

The Institute of Chartered Accountants of Sri Lanka <i>A. Alwis</i>
Georgian Federation of Professional Accountants <i>I. Kasrade</i>
The Liberian Institute of Certified Public Accountants <i>W. Mombo</i>
Zambia Institute of Chartered Accountants <i>W. Beene</i>

IFAC Staff	
F. Choudhury <i>Chief Executive Officer</i>	R. Guthrie <i>CFO and Executive Director, Professional Relations</i>
A. Prinsloo <i>Executive Director, Strategy and COO</i>	S. Tsen <i>Director, Quality and Member Relations</i>
G. Pflugrath <i>Director, Public Policy & Regulation</i>	L. Wilker <i>Director, Communications, Marketing and Brand</i>
L. Lach <i>Deputy Director, Governance and Strategy</i>	E. Churikova <i>Manager, Governance</i>
A. Lee <i>Associate, Governance</i>	S. Lee <i>Associate, Member Relations</i>
M. Scales <i>Executive Assistant, Executive Director, Strategy and COO</i>	

Also in Attendance
IFAC Deputy President <i>O. Kirtley</i>
IFAC Board Members and Technical Advisors
Public Interest Oversight Board <i>J. Diplock</i>
Secretary General of the Nordic Federation of Public Accountants <i>J. Røder</i>
DFID <i>R. Kisha</i>
Chair, CAP <i>J. Dickson</i>
Chair, Forum of Firms <i>R. Dohrer</i>
Votenet Solutions, Inc. <i>M. Henkels</i> <i>D. Eichenlaub,</i>

1. Welcome and Apologies

1.1 Call to Order, Welcoming Remarks, and Procedural Matters

The President, Warren Allen, welcomed the Council delegates attending the Special Electronic Council Meeting in-person at the IFAC Office in New York (USA) as well as those participating via electronic means, i.e. webinar or conference call. He also welcomed the representatives of IFAC Members, as well as representatives of the Public Interest Oversight Board (PIOB), Recognized Regional Organizations and Acknowledged Accountancy Groupings, members of the IFAC Board, and other observers in attendance.

Mr. Allen stated that the main objective of the Special Electronic Council Meeting was to consider and vote on the proposed new dues formula to be effective from 2015.

Russell Guthrie, CFO and Executive Director, Professional Relations provided instructions with regard to the participation in the meeting. Mr. Guthrie noted that all Council participants would be given an opportunity to view presentations, provide comments and participate in the questions and answers session, and that IFAC Member designated representatives who confirmed their attendance via electronic ballot would be given the opportunity to cast their votes on the proposed new dues formula.

Mr. Allen noted that this is an electronic meeting and that the same provider of secure on-demand voting and balloting software, [Votenet Solutions, Inc.](#), that was utilized during the February Special Electronic Council Meeting was contracted again to facilitate a secure voting process during this meeting. Megan Henkels, Director of Clients Services, Votenet Solutions Inc., explained the procedural matters related to the voting process and announced that the email with an electronic ballot to confirm the attendance for the purpose of establishing the quorum for the meeting had been sent.

During the time designated representatives were confirming their attendance, Council participants received an update on the state of IFAC since the February Special Council Meeting. Mr. Allen provided an update on major developments under IFAC's four operating lines—supporting standard-setting, improving quality and capacity, supporting the profession, and global representation and advocacy. Mr. Allen highlighted the following new developments:

- *Accountability Now!* - a new initiative that goes to the heart of IFAC's public interest agenda and provides an opportunity for IFAC to work closely with relevant stakeholders to raise awareness of the importance of greater transparency and accountability of governments, and to help governments to move beyond commitment / adoption to implementation.
- Agreement with the UK Department for International Development (DFID), that DFID will provide £4.935m (\$8.2 million) of funding to IFAC over seven years to build PAO capacity in at least ten DFID focal countries.
- MOSAIC website, funded by the World Bank, will be developed and hosted by IFAC to provide a global platform to facilitate knowledge sharing, and match development needs to the donor community.

Following the update, Mr. Allen invited Vincent Pfammatter, IFAC's independent legal counsel, to confirm the quorum for this meeting. Mr. Pfammatter reported as follows:

- The designation and credentials of each Designated Representative of each Member in good standing who confirmed their attendance at this meeting had been reviewed and verified with the assistance of IFAC staff.

- There were 103 Members eligible to vote that were present either in person (including via electronic means) or by a duly registered proxy, including 14 proxies assigned to the President, as of 9:30 AM New York time. Six additional Designated Representatives registered shortly after the announcement and within the timeframe that was set for the registration purpose. Accordingly, the total number of duly Registered Designated representatives was 109.
- Out of a total of 146 IFAC Members in good standing, the Constitution requires a quorum of Designated Representatives from at least 50 percent of those Members, i.e., 73 designated representatives for a Special Council Meeting. Therefore, the quorum for this meeting was established.

1.2 Minutes of the 2014 Special Electronic Meeting of the Council

The Council received the minutes of the Special Electronic Meeting of the Council held on February 25, 2014. Mr. Allen noted that the minutes were distributed for information and review, and that any comments should be forwarded to Elena Churikova, Manager, Governance via email. The formal approval of the minutes will take place during the next Ordinary Council Meeting in November 2014.

2. Proposed New Dues Formula

2.1 The Proposed New Dues Formula

The Council received the proposed new dues formula, including an overview of feedback received from IFAC Members during the consultation process on the proposed new dues formula, as well as the Board's responses to the feedback. It was noted that sixty-four Members (44% of membership) responded to the consultation paper of which thirty-three indicated their support for the proposed formula. The IFAC Board and Planning and Finance Committee (PFC) carefully considered the feedback received from IFAC Members and modified the proposed new dues formula in response to this feedback (see Appendix A Proposed New Dues Formula). It was noted that management, in consultation with the PFC, will monitor the implementation of the new dues formula and the Board will have a formal review in 2018 to confirm the continued appropriateness of the revenue assessment percentages, minimum and maximum dollar amounts, minimum contribution and transitional and phase-in provisions.

Olivia Kirtley, PFC Chair, noted that in finalizing the proposed new dues formula, the PFC reviewed several alternatives and gave due consideration to the feedback received from IFAC Members during the November 2013 Council Meeting and in response to the consultation paper. Ms. Kirtley noted that the PFC and IFAC Board were able to address many concerns expressed by IFAC Members, but had not been able to address all concerns due to the diverse membership and business models of IFAC Members, i.e. changes desired by some IFAC Members resulted in offsetting negative impacts on other Members. Thus, it was not possible to accommodate feedback from all IFAC Members. Ms. Kirtley thanked the PFC members for their hard work during the past 18 months and all IFAC Members for providing their valuable input during the process.

2.2. Questions and Answers Session

Council participants were given an opportunity to address the Council and ask questions. A number of participants commented positively on the proposed new dues formula and on the extensive consultation process and the PFC's efforts and commitment to address major concerns.

Mr. Allen, Ms. Kirtley and senior management responded to questions from the Members. Questions included the other revenue component of the formula, percentage of minimum payers, and whether the new dues formula would have an impact on Associate members.

In addition to provided responses, it was noted that management is committed to work closely with each Member during the three-year implementation period to gain detailed experience of how different components of the new dues formula apply to different membership structures and to learn the specific issues across the jurisdictions. It was explained that the data used for calculating each Member's dues is based on the information provided in the membership statistics form, and therefore all Members were encouraged to provide the most detailed information and as per the latest audited financial statement to help management accurately calculate each Member's dues amount.

The Council approved the proposed new dues formula by a two-thirds majority vote (i.e. two-thirds of IFAC Members' Designated Representatives present at the meeting)³. 102 votes in favor, 5 votes against and 2 abstentions were recorded.

During the time designated representatives were casting their votes, Council participants received a presentation on the Global Knowledge Gateway and the upcoming World Congress of Accountants. All Council presentations were posted on the Extranet.

Other business

Mr. Choudhury confirmed that the next Ordinary Meeting of the IFAC Council in 2014 will be held in Rome, Italy, on November 7, 2014. This meeting will precede the 2014 World Congress of Accountants.

Closing remarks

Mr. Allen congratulated Council participants on the positive outcome of the meeting and thanked them for their participation.

³ The two-third majority is required by the IFAC Constitution (see preamble to the Constitution).

Appendix A

Proposed New Dues Formula

STEP 1		
A	100% of MB Member Dues + 20% of MB Other Revenue	
B	1.5% of A	
STEP 2		
C	\$2.75 per MB full member minimum (increased after 2015 at the average rate of increase of MBs subject to the revenue assessment component of the formula)	
STEP 3		
D	<u>Category A:</u> \$35 per MB full member maximum (increased after 2015 at the average rate of increase of MBs subject to the revenue assessment component of the formula)	
	<u>Categories B & C:</u> \$25 per MB full member maximum (increased after 2015 at the average rate of increase of MBs subject to the revenue assessment component of the formula)	
STEP 4		
E	\$5,000 dues minimum	
Transition		
F	-10% decrease limit from 2014 dues amount	
6-Year Phase-in Period for All MBs		
G	2014 dues as base for 6-year phase in calculation	
H	If dues decrease, the difference (F-G) is phased in on a straight-line basis over the 6-year period	
I	<u>Category A:</u> If dues increase, the increase is phased in up to an increase of 20% per year over the 2014 dues (G)	
	<u>Categories B & C:</u> If dues increase, the increase is phased in up to an increase of 15% per year over the 2014 dues (G)	
	The following is applied until the dues reach the amount computed under the formula, at which time it stays there; a MB's dues therefore cannot exceed 2.20 times (Category A) and 1.90 times (Categories B & C) of its 2014 dues (G)	
	<i>Category A</i>	<i>Categories B & C</i>
	G * 1.20	G * 1.15
	G * 1.40	G * 1.30
	G * 1.60	G * 1.45
	G * 1.80	G * 1.60
G * 2.00	G * 1.75	
G * 2.20	G * 1.90	