

IFAC Member Body Compliance Program Criteria for Biennial Update of the SMO Action Plan

Member bodies that meet all of the following criteria may be eligible to submit their SMO Action Plan updates on a biennial basis:

- Be an IFAC member body in good standing.

The IFAC constitution defines a member body in “good standing” as a member body that has not been suspended. In accordance with article 4.1 of the IFAC By-laws, member bodies risk suspension by the IFAC Board for the following causes:

- Failure to maintain ongoing compliance with the relevant admission criteria (including participation in the IFAC Member Body Compliance Program);
- Failure to pay its financial contributions in full prior to the date of the following Council meeting after such contributions have become due; and
- Acts bringing IFAC or the international accountancy profession into disrepute.

- Submit their SMO Action Plan on a timely basis for at least two consecutive updates.

A member body that fails to finalize and publish their updated SMO action plan within 6 months of the update deadline, or receives a suspension warning letter within the two year period will not be considered eligible for the biennial update.

- Be recommended for biennial update by the Director and approved by the CAP.

Circumstances may exist where, in the Director’s judgment, there is a need for the member body to update and publish its SMO Action Plan on an annual basis. For example, planned or proposed changes that impact the regulatory or standard-setting framework or the member body’s operations and structure. The Director’s recommendation is subject to approval by the CAP.

Requirement to Participate in the Annual Progress Monitoring Discussion

Member bodies approved for the biennial timeline will still be required to participate in the annual progress monitoring discussions with the MBD staff. File notes resulting from those discussions are shared with the CAP.

Removal from Biennial Update Timeline

A member body will be moved back to the annual update timeline if it:

- Is no longer a member in good standing (see above);



- Is subject to developments that in the Director's judgment indicate a need for the member body's SMO Action Plan to be updated annually;
- Fails to participate in the annual progress monitoring call; and/or
- Fails to submit the SMO Action Plan update on a timely basis (see above).