



**International
Federation
of Accountants®**

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Policy Statement—IFAC Network Partners

Effective October 1, 2019



Introduction

1. The breadth of IFAC's work would not be possible without the valuable support of its global network. Alongside member organizations, the Forum of Firms, and development partners, the IFAC Network Partners are key to the successful achievement of IFAC's strategy. This Policy Statement, which is aligned with the IFAC Constitution and Bylaws, describes the policies and procedures established by the IFAC Board in relation to IFAC Network Partners.
2. IFAC Network Partners include:
 - (a) The four Regional Organizations recognized by IFAC prior to October 1, 2019:
 - (i) Accountancy Europe
 - (ii) Confederation of Asian and Pacific Accountants (CAPA)
 - (iii) Interamerican Accounting Association (IAA)
 - (iv) Pan African Federation of Accountants (PAFA)
 - (b) Organizations with strategies that are aligned with and contribute to those of IFAC.¹ These include, but are not limited to, groupings of professional accountancy organizations (PAOs) established to undertake activities based on specific commonalities (e.g., culture, language, proximity, trade, etc.). Each grouping ordinarily has a unique history and undertakes specific activities to serve the needs of its members.

Becoming an IFAC Network Partner

Acknowledgement

3. IFAC will acknowledge by IFAC Board decision an organization as an IFAC Network Partner when:
 - (a) The organization's strategies are aligned with and contribute to those of IFAC;
 - (b) The organization is well established, sustainable, and resourced; and has an appropriate governance structure;
 - (c) The organization adheres to a code of conduct and support business ethics compatible with those of IFAC; and
 - (d) The organization is capable of and motivated to coordinate or collaborate with IFAC on matters of common strategic interest.
4. The relationship with an organization that meets the criteria in paragraph 3 could be initiated by IFAC or the organization. If initiated by the organization, the organization should apply to the IFAC Chief Executive Officer (CEO). The application should discuss how the organization meets the criteria in

¹ These include Accountancy Groupings acknowledged by IFAC prior to October 1, 2019 and Memoranda of Understanding entered by IFAC prior to October 1, 2019.



paragraph 3. The Membership Committee will make a recommendation to the IFAC Board based on an assessment of the IFAC CEO.

Entitlement

5. IFAC Network Partners that are groupings of PAOs are entitled to participate in IFAC Board and Council meetings (limited to two observers per grouping per meeting).
6. In accordance with the IFAC Constitution and Bylaws, an IFAC Member may give a proxy to cast the IFAC Member's vote at an IFAC Council meeting to the President, Chief Executive, or equivalent officer of the Regional Organization of which the IFAC Member is also a member, provided that no single Regional Organization may hold more than five proxies in respect of a single resolution being voted upon.

Formalizing the IFAC Network Partner Relationship

Memorandum of Understanding

7. The relationship between IFAC and an IFAC Network Partner is formalized through a Memorandum of Understanding (MOU). The MOU identifies the parties to and purpose of the relationship and states the mutual intentions and expectations of the parties. The MOU does not constitute or create any legally binding or enforceable obligations on the part of any party. The MOU ordinarily does not have a term limit and exists until one of the parties desires otherwise.
8. The appendix to this policy statement contains a template MOU. If IFAC is requested to use the template of an IFAC Network Partner, the IFAC CEO should ensure that the content is commensurate with that of IFAC and adheres to relevant IFAC policies.
9. All MOUs are approved by the IFAC Board and signed by the IFAC CEO.
10. The IFAC CEO reports annually to the IFAC Board on the status of MOUs under this policy statement, and specifically whether any of the MOUs should be terminated.

Joint Projects with IFAC Network Partners

11. The MOU facilitates the identification of opportunities to collaborate on projects/activities of common strategic interest. When IFAC and an IFAC Network Partner agree to undertake a joint project/activity, the specificities of such project/activity are formalized in a legally-binding agreement between the parties. Such agreement ordinarily:
 - (a) Identifies the parties to, and defines the scope and objective of, the agreement;
 - (b) Specifies the meaning of terms used in the agreement;
 - (c) Identifies the specific outputs under the agreement;
 - (d) Specifies what each party will do in fulfilling the agreement, including – where appropriate – identifying key personnel and establishing a project timeline;



- (e) Identifies any consideration to be provided to or by either party as part of the agreement, including the contribution of human and other resources;
 - (f) Specifies the ownership of intellectual property utilized in fulfilling the agreement and/or developed under the agreement;
 - (g) Outlines each party's rights in relation to reproduction of the outputs, as well as use in creating derivative works
 - (h) States each party's rights in relation to the use of logos and titles, and rights of publicity; and
 - (i) States the term of the agreement and outlines the process for continuance or discontinuance.
12. The IFAC Intellectual Property department maintains template agreements that could be used for this purpose. If IFAC is requested to use the template of an IFAC Network Partner, the responsible IFAC staff should ensure that the content is commensurate with that of IFAC and adheres to relevant IFAC policies.
13. All agreements are approved by the responsible IFAC staff in accordance with *IFAC Finance Policy: Authority to Commit*.



Appendix to the Policy Statement—Template Memorandum of Understanding

Purpose

The International Federation of Accountants (IFAC)

IFAC is the global organization for the accountancy profession. It comprises more than 175 member organizations in 130 jurisdictions, representing nearly 3 million professional accountants. IFAC's vision is for the accountancy profession to be essential to strong, sustainable organizations, financial markets, and economies. IFAC, with its member organizations, serves the public interest by enhancing the relevance, reputation, and value of the global accountancy profession. This public interest focus is achieved through three strategic objectives: contributing to an promoting the development, adoption, and implementation of high-quality international standards; preparing a future-ready profession; speaking out as the voice for the global profession.

[Name of IFAC Network Partner]

[Description of organization's vision, mission/purpose, and strategic objectives to demonstrate alignment of or contribution to each other's strategies.]

This Memorandum of Understanding (MOU)

This MOU establishes a basis for cooperation and collaboration between IFAC and [name of IFAC Network Partner] ("the Parties") on identified areas of common strategic interest.

Areas of Common Strategic Interest

The Parties have identified the following areas of common strategic interest:

[Brief description of areas of common strategic interest.]

Cooperation and Collaboration Process

The Parties will identify opportunities to coordinate or collaborate on initiatives undertaken in the areas of common strategic interest.

[Brief description of initiatives.]

When the Parties agree to undertake a joint project/activity to further any of these initiatives, the terms of such project/activity are formalized in a legally-binding agreement between the Parties.

Intellectual Property

Each Party will share with the other Party facets of its intellectual property, or ideas and concepts, that are relevant and appropriate to advance the collaborative ends of this MOU in accordance with the policies and procedures of the Party sharing the intellectual property.

Cost



This MOU does not represent a commitment of funds on the part of either Party and, unless otherwise agreed between the Parties in writing, each party will bear its own costs relating to initiatives undertaken further to this MOU.

Publicity and External Communications

Each Party will obtain the approval of the other Party for the contents of any public communication relating to this MOU, or any initiative undertaken pursuant to it that references the other Party's collaboration, prior to issue thereof.

Neither Party will in any communication to third parties purport to represent the other Party's views or position on any matter, including any initiative undertaken further to this MOU, without the prior written consent of the other Party.

Use of Logos and Trademarks

Either Party may, with the prior written consent of the other Party, use, where relevant and appropriate and in appropriate terms, the other Party's logo and/or trademark, which each Party will make available to the other Party in digital format for such use.

Contact

Each Party will designate a staff member to act as the primary contact for coordination of all matters arising in relation to, or further to, this MOU and facilitate the exchange of information between the Parties on matters of common strategic interest. Each Party will inform the other Party of any change in the Party's contact person.

For IFAC

For [name of IFAC Network Partner]

Name

Title

Telephone

Email

Postal address

Monitoring and Review

The management of the Parties will report annually to their respective boards on the status and continued relevance of this MOU.

Modification and Assignment



Any revisions to this MOU will be agreed in writing between the Parties. Neither Party may assign this MOU without the prior written consent of the other Party.

Status of MOU

This MOU does not place any rights or obligations on the Parties. It also does not limit the rights of any of the Parties to enter into similar agreements with other organizations. Nothing in this MOU should be deemed to constitute, create, give effect to, or otherwise recognize a partnership, joint venture, or formal business entity of any kind.

Term and Termination

The MOU is of a non-binding nature and will remain in existence unless it is terminated by either Party through written communication.

This MOU sets forth the mutual intentions for a spirit of cooperation and collaboration between IFAC and [name of IFAC Network Partner]. As evidence of our commitment, we hereby affix our signatures:

| | |
|---|--------------------------------|
| [Signature] | [Signature] |
| [Name] | [Name] |
| Chief Executive Officer | Chief Executive Officer |
| International Federation of Accountants | [Name of IFAC Network Partner] |
| Date: [insert] | Date: [insert] |