

# interview

## Accountants Seek Higher Professionalism

With hopes of raising the professional standard throughout the Middle East, a new but already recognized organization of Arab accountants was launched in London earlier this month.

Talal Abu Ghazaleh, chairman of the board of Talal Abu Ghazaleh International (UK), is the first president of the Arab Society of Certified Accountants (ASCA).

Correspondent Sara Towe talked with Mr. Ghazaleh, a Jordanian, shortly after the formation of the association.

**Q: Mr. Abu Ghazaleh, you met recently in London with seven of the council members of the newly formed Arab Society of Certified Accountants, working out the constitution and the five points of the organization. Why was the decision made to set up this organization?**

**A:** For a long time the Arab world has been badly in need of a professional body which would be able to accomplish examination and membership functions on the standards acceptable and recognized by world professionals. So, like the situation in many developed countries of the world where there are such professional bodies - the United States, Britain, Canada, Australia, Scotland - there will be recognized accountants in the Arab world. As you know, in the profession it is the professional societies that regulate the profession, control its applicants and set standards. That function is lacking in the Arab world.

**Q: There are already other professional accountants' societies in the Middle East. How will the new society be different from these?**

**A:** There are only two other societies - The Middle East Society of Associated Accountants, which was established 20 years ago, and whose membership has remained frozen since then, demonstrates that it has not been able to attract the large number of practitioners in the Arab world simply because it does not give its members international recognition.

There is only one other society which is now being created by the Federation of Arab Accountants called the Arab Institute of Accountants. That body wants to set up its own standards of examination and membership, completely different from what we're trying to do. What we're trying to do is link up with the (British) Association of Certified Accountants and be recognized by that association.

Why did we choose the British association? Because it was the only logical partner. It is the only association in the world which permits examinations in centres abroad. And as an international organization, a large number of Arabs are already members. A large number of Arabs are already students studying there.

Even if you were to say there are two other societies so why should we have a new one, I would say, we have two societies. In the UK there are six. We are talking about 15 Arab countries. There is no harm in having more societies directed towards the service of the profession. It helps, and caters to a need which is there.

**Q: Do you expect that the new society will improve the standard of accountancy in the Middle East?**

**A:** Our main function is to provide our students (with the possibility) eventually to sit for exams that addresses a need. We should be preparing them in subjects which relate to their countries, as far as taxation law or commercial law are concerned, and in Arabic for some subjects. But the basic accountancy subjects would be exactly the same as the British association. We are going to start from the point they have reached after long years of experience.

**Q: So rather than develop an organization in the Middle East and try to get it recognized, your idea is to join with a**

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Mr. Talal Abu Ghazaleh

**recognized organization and then build up your membership.**

**A:** What we're trying to say is that we're setting up an association which will be an independent Arab association but be recognized and patronized by an established international organization. Through that recognition we will get international recognition. Otherwise, if we start on our own, without this link, we may, 20 years from now, get the recognition, or we may not. So we started by asking what we have to do to meet recognition criteria. We developed our articles, our membership criteria and our examinations to the standards required by the British association so that we are on the same standard. Our members are qualified to become members of their association.

**Q: Are you a member of the Middle East Society of Associated Accountants?**

**A:** I am a founding member and I was a member of the council for several years.

**Q: Was it your dissatisfaction with that society which prompted the forming of this new society?**

**A:** It is not dissatisfaction, but simply because it has not been able to get the international recognition that it needs. It has not been able to do so in twenty years.

**Q: What are some of the problems of not having a recognized society in the Middle East?**

**A:** We are not worried about ourselves, all the members of the council have international recognition. This is precisely the strength of the council - it will give credibility and recognition to the ASCA.

The council members feel the need for developing this society for future generations and for other members of the profession in the Arab world. They have a right to be recognized by professionals worldwide.

**Q: There are 28 founding members of the ASCA. How many members do you expect to join?**

**A:** We expect that in the first year we will have several hundred, easily. But our admissions criteria are very difficult. We are only looking for the best qualified rather than numbers. If one or two firms withdraw or have reservations, or boycott us, it is irrelevant and immaterial as far as the society is concerned. We are very keen and very interested in having as much support from everybody as we can. But there is no firm which has a monopoly over the profession.

**Q: Has there been opposition to the formation of this society?**

**A:** We have had very minor opposition. Our estimate today, as we were analyzing the consensus of professional opinion in the Arab world, is that 19 out of every 20 are in support. So it is one out of 20 that is withholding or having reservations. But overall the support is tremendous.

**Q: How long will you be president of the ASCA?**

**A:** The articles provide for a period of five years for this first council, after which I have to resign. I look forward to the day when I can hand over the leadership to some other colleague.

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**Q: Turning again to the examination, you said they would be the same as those of the British association, and would include, some time in the future, Arab local laws and be administered in Arabic.**

**A:** Yes, we are hoping to develop examination papers on Arab taxation and Arab commercial law, and in Arabic. One of the problems and one of the reasons we need this society, is that you have an accountant who is qualified in the United Kingdom, but when he comes home, he doesn't know anything about the laws and he doesn't know anything about the local requirements. So, although he's highly qualified internationally, he's not equipped to handle work in the Arab world. There is a need to be filled.

**Q: Will British or other international accountants be able to join the ASCA?**

**A:** We have no doubt that they will. We have provided for that. The only requirement is that they should have been in the Arab world for two years.

If they sit for the exam, that is another story, obviously. But we are addressing the chartered certified accountants who have a right to become members because we recognize their qualifications.

**Q: So you're assuming that in two years they will come to know the Arabic law?**

**A:** Well, we are assuming that they would have. We are also assuming that they will have a feeling for the Arab world and they will have a certain interest and commitment.

**Q: How many foreign accountants are there in the Arab world at this moment?**

**A:** Hundreds. Unfortunately, there has never been a body keeping organized statistics on all these subjects you're asking. That is one of the functions, one of the resolutions, we were discussing today - to have an organized approach to collecting information.

**Q: Professor John R. Small, past president of the British association, was one of the catalysts in the forming of the Arab society, wasn't he?**

**A:** He was not only a catalyst, he was a very instrumental person. We owe a lot to him, because he had the vision to not only perceive the need, but to assist us in the developing and structuring and styling of the project. He was on the spot, he saw the need, he talked to governments at the highest level - ministers and leaders in government. He talked to leaders in the business community and to professionals.

**Q: How is the response of governments?**

**A:** We have the blessing of Arab governments, and we have the blessing of the business community. We have the support of business and the professional community. We are very pleased and excited with the support we have received. It is far more than we expected.

As a matter of fact, we have a letter from the World Bank expressing support for the society. We've had letters of support from leading institutions in the world, and from people all over the world - people we never met, who are very happy to see that finally there is something being done.

**Q: You have said that during the last 20 years that there has been a transfer of one trillion dollars in finance in the Middle East, and it is the accountants who have handled it.**

**A:** It is a fact that when there is wealth there is an accounting function. The Arab world has developed in 20 years at a tremendous speed - in construction, in infrastructure, in industry. The accounting profession has been lagging behind, so our efforts are to cope and catch up with the development in the Arab world in other sectors.