



Chronicle

March 2006



An Apex Body of SAARC

South Asian Federation of Accountants

Mission

SAFA as a forum of professional accountancy bodies is committed to positioning, maintaining and developing the profession in its member countries, and ensuring its continued eminence in the world of accounting.

Office Bearers

Mr Sunil Goyal	President
Mr Indrajith Fernando	Vice President
Md Nurul Hassan	Advisor
Dr Ashok Haldia	Permanent Secretary

Member Bodies

- The Institute of Chartered Accountants of Bangladesh
www.icab-bd.org
- The Institute of Cost and Management Accountants of Bangladesh
www.icmab.org.bd
- The Institute of Chartered Accountants of India
www.icaai.org
- The Institute of Cost and Works Accountants of India
www.mycwai.com
- The Institute of Chartered Accountants of Nepal
www.ican.org.np
- The Institute of Chartered Accountants of Pakistan
www.icap.org.pk
- The Institute of Cost and Management Accountants of Pakistan
www.icmap.com.pk
- The Institute of Chartered Accountants of Sri Lanka
www.icasrilanka.com

Permanent Secretariat

C/o The Institute of Chartered Accountants of India, ICAI Bhawan,
P.O. Box 7100, Indraprastha Marg,
New Delhi - 110002, India
Phone: 00 91 11 30110487, 30110404
Fax: 00 91 11 30110591
Email: safa@icaai.org Website: www.esafa.org

From The President



Accountancy profession in South Asian Region has continued to signify its prowess and capabilities to be at forefront to lead the global initiatives. We at SAFA are committed to nurture the inherent strengths of our profession to enable its constituents scale constantly rising benchmarks of competence. An earnest sense of regionhood and dedicated approach towards professional excellence while essentially securing solidarity and social ethos have driven our endeavours in mandated direction. Cohesive initiatives justify our position to convincingly offer an acknowledgeable perspective on issues permeating the profession worldover.

Although fostering professional excellence within the Region has been our prime objective, we have strived to actively involve with other global and regional actors to ensure complementarity with their philosophies. In recent times, a close association with international organs like IFAC, IASB and CAPA, has aided us to be vocal on contentious issues in most valuable manner.

As the economic indicators in countries in this part of the world have revealed palpable character to surge with rising pie of services in fiscal achievements, the role of professionals behind this contribution is also becoming substantial and vital. This is infact true not only in the regional context but also globally; and also the tendencies suggest a more sizeable share of services in achievement of economic growth objectives of the governments in evolving future.

The economic growth cannot be construed to be confined to be measured only in quantitative and fiscal terms; as it

also connotes the ongoing process of transformation. Within the process of transformation, the essentiality remains for the governments for professional wisdom in order to spur growth determinants while identifying and subduing the structural limitations and disequilibria. Different virtues pertinent to economic milieu in a nation impact the determination of alternative progressive initiatives and their analysis; and the accountancy profession is visualized as trusted partner in the process of such analysis and transformation. SAFA has been cognizant of the desirability on part of the accountancy profession to tender integral support to governments and has thus carried a host of focused research studies aimed at promoting the regulatory interests in member countries.

My Presidency of our esteemed Federation succeeds the outstanding leadership of determined professionals with vivid and precise philosophies, which has continued to enthuse our organization with formidable forte. While I too wholeheartedly pledge my services to the Federation and dedicate myself to the profession, I would solicit the synergy of member bodies and energetic professionals attached with those for realization of my dreams.

Sunil Goyal
President

Forthcoming Events

- Meetings of Centres of Excellence and Working Groups: 17th April 2006 at Karachi
- 60th Assembly Meeting: 18th April 2006 at Karachi
- First South Asian Accounting Summit: 18th - 19th April 2006 at Karachi
- Meeting of Standards Setters in South Asian Region: 20th April 2006 at Karachi
- IFAC SMP Regional Consultative Forum: 3rd July 2006 at Hongkong

59th Assembly meeting

The 59th meeting of the Assembly was held on 28th December 2005 at Kathmandu.

- Mr Y.K.A. Rohanajith, Director SAARC addressed the Assembly and highlighted the praiseworthy services of SAFA towards development of accountancy profession and its commitment to service the socio-economic obligations in the Region. He projected a major role of the accountancy profession in support to intention and initiatives to form a South Asian Economic Union.
- As SAFTA comes into force from 1st January 2006 and in acknowledgement of the fact that accountancy, as a vocation is central to any economic activity, the Assembly mulled over constitution of a dedicated Task Force to facilitate MRAs between member bodies. Assembly was convinced that mutual recognition of professional qualifications across the geographical frontiers of nations was imperative in order to realize true advantages of such landmark developments.



- Assembly elected office bearers as under for the year 2006:
 - Mr Sunil Goyal, ICA India - President
 - Mr Indrajith Fernando, ICA Sri Lanka Vice President
 Md Nurul Hassan, ICMA Bangladesh was appointed as Advisor for the year 2006.

Meeting of Heads of SAFA Bodies

A teleconferencing of the heads of member bodies was held on 20th January 2006 to analyse the state of affairs and determine a purposeful way ahead for the year.

ICAN-ICAI Joint Seminar

ICAN organized a joint seminar on 'System Audit and Corporate Reporting' with ICAI on 29th January 2006 at Kathmandu. At the seminar, the professionals from Nepal and India brainstormed on a range of financial reporting and re-engineering issues of emerging relevance to the profession and the corporate community in two countries.

Students Exchange programme

A students' exchange programme was organized by ICAN for ICAI students from 29th January to 5th February 2006. Five ICAI students visited Nepal under the programme to interact with Chartered Accountancy firms and participate in the Annual Day seminar organized by ICAN. The students also visited the industrial facilities of leading companies and the Stock Exchange at Kathmandu.

Observer Status to new SAARC constituents

As SAARC invited Afghanistan as its member and China and Japan as observer to its activities, SAFA has also extended an invitation to the Nodal Ministry in Afghanistan and the accounting bodies in China and Japan to attend the meetings of Assembly as Observer. Response from the invitees has been encouraging.

Invitation for association with IASB

SAFA welcomes the invitation from IASB for association in pursuits of its Working Group on Accounting Standards for SMEs. The representation of an expert from the Region has been sought by IASB to contribute towards the work programme of the Working Group.

Support to IFAC SMP Regional Consultative Forum

SAFA has been requested by IFAC Small and Medium Practice Committee to support the ensuing SMP Regional Consultative Forum slated for 3rd July 2006 at Hong Kong in terms of magnificent participation in the event from the Region. The representation at the event from the Region is pertinent so as to present the perspective of profession in the Region and guide the determination of future course of IFAC's initiatives and its work programme to cater to specific requirements of SMPs and SMEs.

Best Presented Accounts Awards 2004

Best Presented Accounts Awards for the year 2004 were distributed at a ceremony organized on 28th December 2005 at Kathmandu. The ceremony was graced by the presence of Hon'ble Minister of State for Finance, Government of Nepal.

The following companies from the Region were awarded under different categories:



Company	Country	Position
<i>Category Banking Sector subject to Prudential Supervision</i>		
Commercial Bank of Ceylon Limited	Sri Lanka	First
Sampath Bank Limited	Sri Lanka	Second (Joint)
Askari Commercial Bank Limited	Pakistan	Second (Joint)
<i>Category Non-Banking Financial Sector</i>		
Eagle Insurance Company Limited	Sri Lanka	First
Union Assurance Limited	Sri Lanka	Second
<i>Category Manufacturing Sector</i>		
Fauji Fertilizer Company Limited	Pakistan	First
Ceylon Tobacco Company Limited	Sri Lanka	Second
<i>Category Communication and Information Technology Sector</i>		
Infosys Technologies Limited	India	First
Sri Lanka Telecom Limited	Sri Lanka	Second
<i>Category Hospitality, Health, Transport, Shipping, etc.</i>		
Hayleys Limited	Sri Lanka	First
John Keells Holdings Limited	Sri Lanka	Second

Company	Country	Position
Commercial Bank of Ceylon Limited	Sri Lanka	Overall Winner
Hayleys Limited	Sri Lanka	First Runners up
Infosys Technologies Limited	India	Second Runners up

Company	Country
<i>Category Banking Sector subject to Prudential Supervision</i>	
Prime Bank Limited	Bangladesh
The Bank of Punjab	Pakistan
<i>Category Non-Banking Financial Sector</i>	
Pakistan Industrial Credit and Investment Corporation Limited	Pakistan
Atlas Investment Bank Limited	Pakistan
<i>Category Manufacturing Sector</i>	
Chemical Industries (Colombo) Limited	Sri Lanka
Al-Ghazi Tractors Limited	Pakistan
<i>Category Hospitality, Health, Transport, Shipping, etc.</i>	
Aventis Limited	Pakistan
Glaxo SmithKline Pakistan Limited	Pakistan

SAFA Member Body News

BANGLADESH



ICAB

New Office Bearers

Mr A.S.M. Nayeem, has been elected as the President of ICAB for the year 2006. Mr Nayeem is a Fellow member of ICAB as well as of the Chartered Association of Certified Accountants and an Associate member of the Institute of Chartered Accountants in England and Wales.

Dr Jamaluddin Ahmed, Mr Showkat Hossain and Mr S.M. Atiar Rahman have been elected Vice-Presidents of ICAB for the year 2006.

National Awards for Best Published Accounts and Reports

ICAB organised a ceremony on 21st December 2005 for distribution of National Awards for Best Published Accounts and Reports for the year 2004 amongst listed Financial, Non-Financial and NGOMFI organisations. Hon'ble Minister for Finance and Planning, Govt. of Bangladesh was the Chief Guest on the occasion.



ICMAB

New Office Bearers

Mr Satipati Moitra, has been elected as the President of ICMAB for the year 2006. Mr Satipati Moitra, a senior Fellow member of ICMAB was the Vice President of ICMAB during 2005.

Professor Mamtaz Uddin Ahmed and Md Anisur Rahman have been elected as the Vice Presidents for the year 2006.

Continuing Professional Development Programme

A two-day CPD programme on the theme 'Cost Audit: Vehicle for Industrial Efficiency' was organised by ICMAB on 24th-25th February 2006 at Dhaka. Secretary, Ministry of Commerce, Government of the People's Republic of Bangladesh was the Chief Guest at the programme. The programme covered the subjects of Cost Audit in Petroleum and Sugar Industry and Disclosure Requirements in Financial Statements of Public Listed Companies.

INDIA



ICAI

New Office Bearers



Mr T.N. Manoharan has been elected as the President of ICAI for the year 2006-07. Mr Manoharan was elected to ICAI Council for the first time in 2001 and thereafter in 2004. He was the Vice President of ICAI prior to election as President. He is the Chairman of SAFA Centre of Excellence on Education, Training and CPD and a member of the International Accounting Education Standards Board of IFAC.

Mr Sunil H. Talati has been elected Vice President of ICAI for the year 2006-07.

International Conference

ICAI organised an International Conference on 'Role of Accountancy Profession in Anchoring Economic Growth' from 19th to 21st January 2006 at Mumbai. The Conference was a

congregation of who's who of accounting profession from across the globe and the Indian corporate world.



The International Conference was addressed by a host of Indian regulators, legislators, corporate leaders and several international professionals including heads of SAFA member bodies.

IIN Meeting

ICAI hosted the Coordination Committee meeting and Conference of International Innovations Network (IIN) on 22nd-24th January 2006 at New Delhi. IIN, an organization of

accounting institutes from 15 countries in Europe, Asia Pacific and the Americas, represents nearly one million accountants. The Conference inter alia focussed on outsourcing accounting services to India.

New Publications

- Technical Guide on Risk-Based Audit in Banks

- Revised Guidance note on Audit of Banks



Rules of Network and Merger-Demerger

ICWAI has finalised the Rules of Network amongst firms registered therewith and the Rules for Merger and Demerger. The Rules shall be applicable from 1st January 2006.

NEPAL



Programme on Sarbanes Oxley Act

ICAN organized a programme on 'Sarbanes Oxley Act' on 28th December 2005 at Kathmandu. The programme highlighted the requirements of the US Sarbanes Oxley Act of 2002 to ponder over varied public interest issues related to investors' protection together with the need for augmentation of reliability of corporate disclosures.

Ninth Anniversary Celebrations

ICAN celebrated its ninth Annual Day on 30th January 2006. Hon'ble Minister of State for Finance, Government of Nepal was the Chief Guest at the function organized to observe the Annual Day.

DISA launched

On the occasion of its Annual Day on 30th January 2006, the Diploma in Information System Audit (DISA) was launched by ICAN. The Diploma programme shall be conducted for ICAN members with technical assistance from ICAI.

PAKISTAN



Revision proposed in QCR framework

ICAP proposes to revise its Quality Control Review framework with a view to strengthen the mechanism further. The proposed revised framework has been exposed to its membership for comments.

General Standards of Quality Control

ICAP's Quality Assurance Board has developed the draft General Standards of Quality Control for Firms that perform Audits and other Assurance and Related Services Engagements on the basis of ISQC-1 issued by IFAC. The draft Standards have been exposed for comments from its membership.

Visit of IFAC leadership

Mr Graham Ward, President and Mr Ian Ball, Chief Executive of IFAC visited Pakistan from 31st January to 3rd February 2006. President and Chief Executive of IFAC met the President and

Prime Minister of Pakistan and the Chairman Senate. President and Chief Executive also addressed a Conference organized by ICAP on 'The Role of IFAC in Restoring Public Confidence in the Accounting Profession' on 1st-2nd February 2006 at Karachi.



New Office Bearers



Mr Sher Afgan Malik has been elected as President of ICMAP for the period 2006-08. Mr Malik has previously served ICMAP as President and member of the National Council during 2003-05.

Mr Mutee Ur Rehman Mirza has been elected as Vice President for 2006-08 while Muhammad Arif Nara and Muhammad

Azam Khan Shad have been appointed as Honorary Secretary and Honorary Treasurer respectively of ICMAP.

SRI LANKA



New Office Bearers

Mr Yohan Perera has been inducted as the 18th President of ICASL for the years 2006 and 2007. Mr Perera is a Fellow member of ICASL and the Chartered Institute of Management. He was elected to ICASL Council in 1999 and also served as the Vice

President of ICASL before election as Vice President. He was elected on the Board of CAPA in May 2004.

Mr N. Fernando has been elected as Vice President of ICASL.

World Bank's nod for Project Proposal

The World Bank has, under its project on Improving Relevance and Quality of Undergraduate Education (IRQUE), approved funding for ICASL's proposal aimed at upgradation of the quality of Chartered Accountancy qualification in Sri Lanka.

SAFA Website : A dynamic portal to know about activities of SAFA and its member bodies

Recent publications available on SAFA website:

- A Study on VAT in SAFA Countries
- Code on Best Practices on Corporate Governance in SAFA Countries
- Accounting Standards vis a vis IAS/IFRS & Standard-Setting Process A Comparative Analysis
- Auditing Standards vis a vis International Standards on Auditing (ISAs) & International Audit Practice Statements and Standard-Setting Process A Comparative Analysis

Major projects of SAFA in progress:

- Accounting Standards for SMEs
- Accounting Standards for NGOs
- Quality Assurance Review Programme in SAFA Countries
- Accrual Accounting in Governments and PSEs in SAFA Countries
- Networking amongst Firms in SAFA Countries
- Cost Indices of Major Products in SAARC Countries