



Chronicle

September 2004



Apex body of SAARC

South Asian Federation of Accountants

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Ashok Chandak - Advisor
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The Institute of Cost & Management Accountants of Bangladesh (ICMAB)

The Institute of Chartered Accountants of India (ICAI)

The Institute of Cost & Works Accountants of India (ICWAI)

The Institute of Chartered Accountants of Nepal (ICAN)

The Institute of Chartered Accountants of Pakistan (ICAP)

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From the President

SAFA has completed 20 years of its existence in August 2004. SAFA Conference held on 27-28 August 2004 to commemorate the occasion in New Delhi, not only created awareness about SAFA, but also provided an intellectual platform to the regulators and the professionals to think and debate on the pros and cons of integration of Financial Sector in the South Asian Region. Governors of Central Banks and Chairmen of Securities and Exchange Commissions/Boards of SAARC countries were invited to deliberate on the issues. On this occasion, SAFA publication on "Code of Ethics" for Professional Accountants in SAARC countries was also launched. Past Presidents of SAFA were invited as guests of honour and tributes were paid to them for their valuable services rendered for the cause of SAFA. They were also decorated with specially designed memento.



The occasion also provided an opportunity to look back and see what we have achieved, and to discuss about the "Way Forward". 55th SAFA Assembly was convened on 26th August, 2004 as a brain storming session to discuss the SAFA Strategic Plan. This had become imminent not only to keep pace with the fast changing global environment, but also to fully exploit the potential of accounting profession of the region. Mr. T. S. Vishwanath, Past President SAFA had very ably prepared a Discussion Paper on this subject, and made a very enlightened presentation in the Assembly. The house was fully appreciative of the clarity of his vision and the zeal for moving forward to the international fora for playing a leadership role in the world of accountancy. It was decided that the discussion paper should be discussed by the councils of member bodies and their comments should be incorporated in the Discussion Paper, before it is discussed in the next Assembly scheduled in Colombo in December 2004.

It is highly reassuring that besides striving to create on "capacity building" and "harmonization" among member bodies, SAFA is also looking forward to become a frontline body to regulate the accountancy profession in the region, in close affiliation with CAPA, IASB and IFAC.

Badruddin Fakhri

SAFA News

20th Anniversary of SAFA

In order to commemorate the 20th SAFA Anniversary in a befitting manner, all SAFA Past Presidents were invited as guests of honour. Following Past Presidents specially came to New Delhi to attend SAFA events/SAFA Conference:

ICA of India:

Mr. P.N. Shah
Mr. T. S. Vishwanath

ICMA of Pakistan

Mian Mumtaz Abdullah
Prof. Dr. Khawaja Amjad Saeed

ICA of Bangladesh:

Mr. Md. Yunus
Mr. Jamal Uddin Ahmad
Mr. Zahiruddin Ahmed

ICMA of Bangladesh:

Mr. Habibur Rahman
Chowdhury Hafizur Rahman

ICA of Sri Lanka:

Mr. Lakshman R. Watawala
Mr. Ajith Nivard Cabraal

Launch of SAFA Code of Ethics

SAFA publication on Code of Ethics for professional accountants in SAARC countries was launched in the SAFA Conference held in New Delhi on 27th August 2004. The Code was prepared by the SAFA Ethics Committee headed by Mr. Jamal Uddin Ahmad of Bangladesh.

Signing of MoUs between ICMAP and ICMAB

The ICMAP and ICMAB signed the MoU at New Delhi on August 28, 2004. The parties agreed to recognise the professional qualification and professional programme, assist and cooperate in the exchange of past examination question paper and model answers, develop students and members exchange programme, exchange of study material, enhance professional recognition and other issues to the mutual benefit of the two Institutes.

55th SAFA Assembly held in New Delhi

A brain storming session of SAFA Assembly was held to discuss the Discussion paper on SAFA Strategic Plan

prepared by Mr. T. S. Vishwanath" at New Delhi on August 26-27, 2004.

"Integrated Financial Sector in the SAARC Region"

The Conference held in New Delhi on August 27, 2004 on the occasion of 20th Anniversary covered a wide range of topics presented by eminent speakers from India, Pakistan, Sri Lanka, Bangladesh and Nepal. It was addressed in the first Technical Session by the Heads of Regulatory bodies including:

Mr. G.N. Bajpai, Chairman, Securities & Exchange Board of India. Dr. Tariq Hassan, Chairman, Securities & Exchange Commission of Pakistan (His paper was presented by Mr. Badruddin Fakhri).

Mr. Palitha Silva Gunawardena, Head of the Securities & Exchange Commission of Sri Lanka

The theme of the Second Technical Session was "Harmonisation of Banking Sector in SAARC Region Issues and Approach".

The session was addressed by Dr. Ishrat Hussain, Governor State Bank of Pakistan, Dr. Fakhruddin Ahmed, Governor, Bangladesh Bank and Dr. Tilak Rawal, Governor, Nepal Rastra Bank.

The theme of Third Technical session was "Undefined Accounting Sector in SAARC Region Destination and Means. This session was addressed by Heads of SAFA delegations.

54th SAFA Assembly held in Kathmandu

54th SAFA Assembly was held on July 17, 2004 at Hotel Soaltee Crown Plaza, Kathmandu, Nepal. The Assembly was attended by the delegates all the member bodies. The Assembly was preceded by the meetings of Centres of Excellence and Projects/Working Groups. The Chairmen of Centres of Excellence and heads of Working Groups updated the Assembly about the progress in their respective areas.

Seminar on "Enhancing Professional Image: Challenges and opportunities in the Region"

The Institute of Chartered Accountants of Nepal hosted the above seminar at Hotel Soaltee Crown Plaza, Kathmandu, Nepal on July 18, 2004. Despite short notice the arrangements were excellent and lauded by

all the participants with high sense of appreciation. During the seminar papers were presented on:

- i. Corporate Frauds challenges to the Auditors
- ii. Adoptability of IFRS in SAARC Region
- iii. Emergence of new Avenues and opportunities to the profession
- iv. Code of Ethics and SAARC experience in Global perspective.
- v. Emerging challenges to accounting profession in WTO perspective.

All the above presentations were followed by commentaries by eminent scholars from member bodies.

Teleconference of SAFA Education, Training, Examination & CPE Committee

First teleconference of Education, Training, Examination & CPE Committee was held on September 28, 2004. The Conference was attended by India, Pakistan, Bangladesh, Sri Lanka and Nepal and lasted for 80 minutes. Fifteen 15 different agenda items were discussed in pursuance of the decisions taken at Kathmandu on July 17, 2004.

Task Force on Study of Cost Index

In view of WTO regime drawing near, need was strongly felt to make a study of Cost Index of Major Products to help the SAARC countries to withstand the foreseeable cut-throat competition. A Task Force was constituted under the chairmanship of Mr. Muhammad Ashraf Bawany, former President of ICMAP. The Head Office of the Task Force is in Pakistan. The Task Force is represented by the nominees of member bodies. Sub-Task Forces were established in the SAFA member countries. As a first step, the Task Force has taken up the study of products common to all SAARC countries which include Textile Weaving, Tea, Sugar, Cement, Chemical and Fertilizer.

Study on Codes of Corporate Governance

A Working Group has been constituted headed by Syed Asad Ali Shah of ICAP to prepare a study comprising Codes of Corporate Governance of SAARC Region; and make suggestions for improvement therein. The working group is comprised of nominees of all the SAFA member bodies.

Study on Status of Accrual Accounting in Public Sector

The issue with regard to the shift from cash accounting to accrual accounting was discussed in 54th SAFA Assembly at Kathmandu, Nepal. Mr. Muhammad Rafi of ICMAP informed that the Government of Pakistan was making headway towards implementation of IPSAS (International Public Sector Accounting Standards) and a new department "Controller of General Account" had been set up to take care of this aspect. A working group was constituted to study the current status and to suggest as to how the Governments should go to accrual accounting in the SAARC Region. Mr. Muhammad Rafi was nominated as the Chairman of the Working Group in view of his association with IFAC public sector committee as its member.

Study on Status of Research in SAFA Bodies

Study of research work being carried out by SAFA member bodies was initiated by Mr. Qaisar Mufti, Member, National Council ICMAP. The study is in the final stage of completion and will be circulated among the member bodies in the next SAFA Assembly.

Meeting of Nodal Officers in Pakistan

In order to ensure the active participation of Nodal Officers, it has been decided that joint meeting of Nodal Officers shall be held periodically. The first meeting will be hosted by Pakistan in November 2004.

SAFA Conference on Corporate Governance

SAFA Conference on Corporate Governance will be held on December 3-4, 2004. The conference will be attended by the Corporate Directors and Business Managers. Key-note speaker will be Ms. Ann Simpson, Head of Corporate Governance, World Bank. It will be addressed by eminent speakers from SAARC Region and other countries. The topics covered will include implementing codes of Corporate Governance, implementing good Corporate Governance Practices through market demand facilitating awareness.

SAFA Best Presented Accounts Awards would be distributed in the SAFA Conference being held on December 3, 2004.

SAFA Bodies News

ICMAP

Best Corporate Report Awards

The Best Corporate Report Awards for the year 2003 were announced and presented at a special ceremony held in Karachi on August 12, 2004, under the joint auspices of the Institute of Cost & Management Accountants of Pakistan and Institute of Chartered Accountants of Pakistan. The ceremony was held at Sheraton Hotel and was attended by a large number of Senior Executives of participating companies a cross section of business leaders from Private and Public Sectors and Members of ICMAP & ICAP. The Governor State Bank of Pakistan, Dr. Ishrat Husain was the Chief Guest who gave away the awards to the winners in various.

The event was organised to improve the disclosure in Annual Accounts and the information provided in the Annual Reports which is imperative to improve the Corporate Governance.

The awards were given in Financial Sectors, Chemical and Fertilizer Sector, Engineering Sector, Fuel and Energy Sector.

Eminent speakers and the professional and public sector leaders including Mr. Mujahid Eshai, President, Institute of Chartered Accountants of Pakistan (ICAP), Prof. Dr. Khawaja Amjad Saeed, Member National Council, Institute of Cost & Management Accountants of Pakistan (ICMAP) Mr. Mohammad Ashraf Bawany, Member National Council, ICMAP and Chairman Joint Evaluation Committee ICAP & ICMAP and Mr. Abdul Rehman Qureshi Commissioner, Securities and Exchange Commission of Pakistan addressed the audience.

Securities and Exchange Commission of Pakistan (SECP) Notifies Accounting Standards

The Securities and Exchange Commission of Pakistan (SECP) has notified the revised Fourth Schedule of the Companies Ordinance, 1984 to bring it in line with the International Accounting Standards (IAS).

Seminar on Corporate Governance Lahore (Pakistan) ICMAP

A seminar on Corporate Governance was organized by the Lahore Branch Council of the Institute of Cost & Management Accountants of Pakistan on August 9, 2004. Mr. Mowahid Hussain Shah, Advisor for Planning to Chief Minister, Govt. of Punjab was the Chief Guest, Mr. Mujahid Eshai, FCA, President, Institute of Chartered Accountants of Pakistan, Mr. Nazir Ahmed Shaheen, FCMA and Mr. Ale Imran Siddiqui, FCMA made presentations on the occasion.

World Bank Team Visits ICMAP

The World Bank team comprising Mr. Ismaila B. Ceesay and Mr. Zubaidur Rehman had a meeting with ICMAP Council members Mr. Badruddin Fakhri (also President SAFA) and Mr. Muhammad Ashraf Bawany on August 16, 2004 and discussed issues relating to the Development of Profession in South Asia. The ICMAP had the honour of receiving the above two World Bank dignitaries on August 18 at Institute's premises Mr. Izhar A. Athar, Director Education made presentation highlighting the Institute's educational programme which leads the university graduates to become Associate Members after qualifying six stages of ICMAP examinations and gaining necessary practical experience. The World Bank team then went around the classrooms, Computer Laboratory and the Library and emphasised to make more use of computer knowledge, research work and observe accounting and costing standards.

ICMAP Creates Computerised Question Bank for Correspondence Course

With a view to improve distance learning programme and to ensure improvement in participation of students, the ICMAP has created a computerised Question Bank so that varying questions can be given to different groups of students to require their individual contribution to every subject in each session.

Workshop for Human Resource Development

The ICMAP Conducted a 3-day motivational workshop for the secretariat staff which was attended by the Executive Director, Directors and staff. The President of the Institute, Mr. Sher Afgan Malik also intermittently observed the conduct of workshop. It dealt with office mannerism, interaction with colleagues. Identifying the problems and their solution and was lauded by all the participants.

Another course was conducted to train the trainers viz faculty development. The course was spread over 10 days and dealt with questions like how to identify the students' problems, to encourage them in class discussions and the approach to be followed to solved 'on the job practical problems'. The faculty members appreciated the usefulness of the course.

1st meeting of Task Force on Study on Cost Index of Major Product

1st meeting of Task Force on study on Cost Index of major products was held in Delhi the office of the Institute of Chartered Accountants of India, Delhi on 26th August 2004. Mr. Ashraf Bawany, Chairman of the Task Force presided the meeting.

Mr. Ashraf Bawany highlighted the objective of the study as approved in SAFA Assembly and introduced Mr. Y.H. Thara, FCMA as member of Task Force and the Project Director for the Study. All participating members appreciated the initiative of Mr. Badruddin Fakhri, President of SAFA for suggesting such a vital study.

It was highlighted that implementation of WTO Regime is knocking the door and member countries of SAARC being under developed countries needs to unite, carry out the study on their capacity of various products Traditional or non-traditional i.e. whether agri-based or of nature manufacturing sectors so that these countries can learn from each other and make their products more competitive in their own markets as well as in international market.

The study will contain:

- Cost structure of selected products in each member country
- Available and utilization of capacity of selected products
- Taxation structure and its incidence on cost
- Various industrial data such as demand / supply, import and export, etc.

Mr. Thara presented the data collection form on sugar and cement industries. All member agreed to work on project whole heartedly and collect the required data and forward them to head quarter of the Task Force established at the Institute of Cost and Management Accountants of Pakistan, Karachi. The SAFA assembly and the Task force agreed to carry out the study on sugar, cement, textile spinning, textile weaving, fertilizer, tea processing and vegetable ghee. The project is progressing well, the Head Quarter of the Task Force is established and Ms. Yasmeen Bano has been assisting Mr. Thara on secretarial work. Following persons are nominated as Chairman and project Coordinator of Local Task Force established by the member institute of assist and coordinate the study.

ICAP

New ICAP Office Bearers



The Council of the Institute of Chartered Accountants of Pakistan at its 165th Meeting held on 30 & 31 July 2004 elected Mr. ZaFar Iqbal Sobani as its President for 2004-05 w.e.f. 6 September 2004.

Mr. ZaFar Iqbal Sobani as President; he is a Fellow Member of the Institute of Chartered Accountants of Pakistan as well as a Fellow member of Institute of

Cost and Management Accountants of Pakistan. Mr. Zafar has the distinction of being the first President of ICAP elected from industry, whereas over 80% of ICAP's members are employed in industry.

Education Committee Meeting of IFAC

Education Committee meeting of IFAC was held at Stockholm, Sweden from August 16 to 19, 2004. Mr. Abdul Rahim Suriya, Member Education Committee and Mr. Najam I. Chaudhri, Technical Advisor represented ICAP at the meeting.

World Bank Officials Call at ICAP

World Bank officials including Mr. Ismailia B. Ceesay (Team Leader - Financial Management, Islamabad) and Mr. Zubaidur Rahman (Program Manager, Financial Management Unit Operations Policy and Country Services - Washington D.C., U.S.A) called at ICAP offices on August 16, 2004 and explained that they were visiting ICAP in connection with their project "Report on the Observance of Standards and Codes" (ROSC) for which they were collecting data and could possibly provide assistance for Institutional Capacity Building in areas of (a) Legal Framework; (b) Training and Education; and (c) Enforcement.

Change of Nomenclature of CPE and CPD Credit Hours

With a view to gradually start conforming to International Education Standard on Continuing Professional Development (CPD) IES 7, the Council of ICAP at its meeting held on July 31, 2004 has approved the following changes in Directive 8.01 with immediate effect:

Wherever the term 'Continuing Professional Education' or its acronym 'CPE' occurs, it would be substituted by the words 'Continuing Professional Development' or its acronym 'CPD'. Hence, all official correspondence and activities in this regard at the Institute / Regional Committees / all other forums and levels should use the CPD terminology. Accountants.

The requirement for number of credit hours to be fulfilled by both Practicing and Non-Practicing members shall be as follows:

CPD year	Number of Credit Hours
July 2004 - June 2005	25
July 2005 - June 2006	30
July 2006 onwards	40 in one year or 120 in every 3 year period

ICAP's Vision, Mission and Strategic Goals finalized

The Council in its meeting held on 25 June 2004 and 30 July 2004, discussed and deliberated on the report of "Vision, Mission, Goals & Strategies", prepared by the Sub-Committee and vetted by the Task Force comprising of Council members.

ICAP's Council has approved the following:

Vision Statement

"The profession of Chartered Accountants in Pakistan should be the benchmark of professional excellence upholding the principles of integrity, transparency and accountability."

Mission Statement

"Our mission is to achieve excellence in professional competence; add value to businesses and economy; safeguard public interest; ensure ethical practices and good corporate governance; while recognizing the needs of globalization."

The following Strategic Goals were also approved by the Council:

Strategic Goals

To achieve the vision and mission, the Council has identified the following Strategic Goals that ICAP would pursue:

- Build the image of the ICAP and enhance the credibility of the Chartered Accountancy profession and members.
- The Institute should continually develop into an effective and dynamic organization to provide the desired services to its stakeholders and to regulate the profession
- Develop the examination and regulatory functions as core activities of the ICAP.
- Inculcate life-long learning for continuing professional development of its members and students.
- Invest in technology to improve the services and communication between the ICAP and all the stakeholders.
- Develop a fully operational Research and Development Department that is involved in conducting indigenous research on an on-going basis, for continuous improvement of the profession and the professionals.
- Ensure ethical practices and good governance, through education and development of standards, to protect public interest.
- Contribute actively at the national level, through increased institutional interaction with the Government, Regulatory Bodies and other stakeholders.

SAFA Student Exchange Programme

Six trainee students of ICAP visited Sri Lanka for two months under the SAFA Student Exchange Programme. The students were assigned to CA firms in Sri Lanka for gaining experience in Hotel and Plantation industries. This visit was organized under the auspices of The Institute of Chartered Accountants of Sri Lanka (ICASL).

Similarly, six students of ICASL are on a visit to Pakistan for gaining experience in the Oil and Gas industry. After a week of orientation at various institutions, mainly related to oil and financial sectors in Karachi, the students were assigned to CA firms for audit training in Karachi and Islamabad.

Training of Trainers Programme

A Training of Trainers program was organized by the Directorate of Education and Training at Lahore from 26 to 29 July 2004 for the faculty members of Registered Accounting Education Tutors (RAETs) at Lahore, Faisalabad, Multan and Sialkot. The course was conducted by Mr. Muhammad Ilyas, FCA. Similar programs are also planned to be held in other cities of Pakistan.

Fourth Schedule to the Companies Ordinance, 1984 Revised

On ICAP's recommendation, Securities & Exchange Commission of Pakistan (SECP) revised the Fourth Schedule to the Companies Ordinance, 1984 to bring it in line with latest International Accounting Standards and to remove the anomalies between the two. The revised Fourth Schedule (disclosure requirements for listed companies) has been notified by SECP on 5th July 2004 and would be applicable to all listed companies whose financial years end on, or after this date.

ICAI

Election of Mr Sunil Goyal on CAPA

Mr Sunil Goyal, President of the ICAI has been elected as a member of the Board and Strategic Committee of the Confederation of Asian and Pacific Accountants (CAPA). The election was held at the meeting of the Assembly of Delegates of the Confederation in May 2004.

MoUs with SAFA Member Bodies

ICAI has signed MoUs with ICAN and ICASL in July 2004. The MoU with ICAN focuses on provision of technical support to ICAN for establishment of accounting, auditing and assurance standards, code of ethics, CPE mechanism, etc for its members and development of study material and training system for its students. Through the MoU entered into with ICASL, ICAI has agreed to the provision of background material, facility of Research Online Study Materials (ROSM) and Online Practical Tests, administration of practice tests and Assessment Tests for the Information Systems Audit (ISA) Course for ICASL members in Sri Lanka.

SAFA Events in India

ICAI hosted the meetings of the SAFA Assembly, Advisory Body of Past Presidents, Working Group on Study of Cost Indices for Major Products in SAARC Region and heads of member bodies on research projects on 26th and 27th August 2004 at New Delhi. ICAI also hosted the SAFA 20th Anniversary Conference 'Integrated Financial Sector in the SAARC Region' on 27th-28th August 2004, which was addressed by the regulators of capital markets from India, Pakistan, Sri Lanka and Nepal; banking sector from India, Pakistan, Bangladesh and Nepal; and other prominent personalities from the South Asian Region. The heads of member bodies shared their perspective on the harmonization of accounting sector in the SAARC Region and means to achieve unification therein. The Conference witnessed huge participation of delegates from across the Region.

Study Tour to China

In terms of the MoU signed by ICAI with the Chinese Institute of Certified Public Accountants (CICPA), a study tour for the ICAI members, key functionaries of the trade bodies and regulators in India to undertake study of the capital market regulations, banking and insurance industry mechanism, university education system in China and interaction with the respective Chinese authorities has been scheduled from 17th to 24th October 2004. The Study Tour would encompass the interaction with various Chinese authorities organised by the CICPA in Beijing and Shanghai respectively.

IFAC Public Sector Committee Meeting and Seminar

ICAI would host the meeting of the IFAC Public Sector Committee from 1st to 4th November 2004 at New Delhi. Coinciding with the meeting, a seminar 'Enhancing Accountability and Good Governance in the Public Sector' dealing with various ascendant issues and dynamics of the public sector accounting, shall also be hosted by ICAI.

ICAI-ICASL Joint International Conference

ICAI and ICASL are organising a joint international conference on 'Emerging Global Opportunities' on 24th-25th September 2004 in Kerala, India. The Conference deliberations revolved around international perspective of audit and assurance services, recent developments in international taxation, opportunities emanating from business process outsourcing, etc where eminent accountancy professionals will share their erudition with the delegates from across the South Asian Region.

Online Facilities

ICAI has initiated the conduct of online eligibility tests in specified

subjects of its Professional Education II Course. The facility is envisaged to be extended to other subjects and stages of the examination.

ICAI has also launched online placement portal to cater to the needs of newly qualified and senior members of the profession, which would act as a single window recruitment system for corporates and CA firms.

New Publication

The Committee on Ethical Standards and Unjustified Removal of Auditors of the ICAI has brought out a publication 'FAQs on Ethical Issues', which examines various ethical issues of members and sets forth responses in respect of circumstances arising frequently in discharge of professional services.

Exposure Draft of Revised AS on Employees Benefits

The Accounting Standards Board of the ICAI has issued exposure draft of Revised Accounting Standard (AS) 15 'Retirement Benefits'. Through the revision, it is proposed to make the revised AS applicable to accounting for specified short-term, post-employment and termination and other long-term benefits except share-based payments, to deal with which a separate Guidance Note is likely to be issued shortly.

Launch of Post Qualification Course

A Post Qualification Course in International Trade Laws and World Trade Organisation shall be launched by ICAI for its members in, October 2004. The Post Qualification Course has already been notified in the Official Gazette with acquiescence of the Ministry of Company Affairs, Government of India.

ICWAI

National Seminar on the Concept Paper on The Companies Act organized by The Institute of Cost and Works Accountants of India (ICWAI) on September 25, 2004 at Kolkata

In a massive bid to reconstruct the Companies Act, 1956 (as amended up to date) in tune with the environment of globalization, the Ministry of Company Affairs, Government of India issued in August 2004 a Concept Paper for public discussion, giving the proposed comprehensive amendments to the Companies Act. ICWAI organized a national seminar on this Concept Paper on 25 September 2004 at Hotel Peerless Inn, Kolkata. Shri P C Gupta, Hon'ble Union Minister of Company Affairs, Government of India inaugurated the Seminar. Dr Sanjiban Bandyopadhyaya, Chairman-Continuing Education Programme Committee welcomed the Minister and the guests, Shri Pravakar Mohanty, Vice President-ICWAI introduced the guests and Dr. H R Subramanya, President-ICWAI gave an overview of the Seminar.

In his inaugural address Shri P C Gupta lauded the role of Cost Accountants and saw a tremendous scope of the growth of accountancy profession in India particularly in view of outsourcing of Accountancy Services from India by the developed countries in the context of globalization and development of IT-enabled services. With the changing requirements of the new environment a lean and user-friendly Companies Act with new orientation is the need of the hour the Minister said. Also present on the occasion was Shri Nishith Adhikary, Minister of Law & Judicial Department, Government of West Bengal. In his address, Shri Adhikary highlighted the challenges of globalization that should have a human face-he said. In this context he praised the crucial role of Cost Accountants as their expertise transcends the limits of conventional accounting & audit delving deep into the cost-price-value nexus of the economy.

In the Technical Sessions that followed Prof Shyamal Banerjee, Past President of ICWAI outlined the environment of WTO regime within

which corporate laws have to operate. Dr. D Jagannathan spoke on the impact on agriculture highlighting the need of corporatising the agricultural sector a distinct possibility of which has been opened up in the Concept Paper that provides for formation of 'Producer Companies' in the agricultural sector. Prof. Asish Bhattacharyya of IIM Calcutta and Shri S Gangopadhyay, Past President of the Institute of Company Secretaries of India (ICSI) spoke on Corporate Governance. The Seminar concluded with a Panel Discussion chaired by Dr. Abhijit Sen, Co-Chairman-NICCO group of Companies. The panelists were Prof. Asish Bhattacharyya, Dr. D Jagannathan and Shri B M Sharma, Central Council Member of ICWAI. The issues of Independent Directors, role of other Directors, Audit Committee, protection of various public interests and other Corporate Governance related issues prominently featured in the discussions.

ICAB

ICAB Adopts International Standards on Auditing

The Council of the Institute of Chartered Accountants has recently adopted 35 International Standards on Auditing, issued by International Federation of Accountants (IFAC), as Bangladesh Standards on Auditing (BSA).

Earlier, the Council of ICAB had adopted 30 Bangladesh Accounting Standards (BAS) which were based on International Accounting Standards (IAS) issued by International Accounting Standards Board (IASB).

SMEs and Professional Accountants Can Play Important Role in Bangladesh Economy

The Institute of Chartered Accountants of Bangladesh (ICAB) organised a CPE seminar on Role and opportunities of Professional Accountants Towards Growth of SMEs on 21 August 2004 at the ICAB Auditorium in Dhaka. The seminar was attended by a large number of representatives from Chamber of Commerce, Trade, Industry and the Profession.

ICAB Delegation Attends SAFA Assembly Meeting in New Delhi

A 16 Member delegation, headed by Mr. Akhtar Sohail Kasem FCA, President-The Institute of Chartered Accountants of Bangladesh (ICAB), attended the 55th SAFA Assembly meeting and SAFA Conference held at New Delhi on 26-28 August 2004. The theme of the SAFA Conference was Integrated Financial Sector in the SAARC Region.

Draft of Companies Act, 2004 Submitted to Ministry of Commerce

A meeting was held on 7 July 2004 at 3:00 PM at the Conference Room of the Ministry of Commerce to finalise the draft of the Companies Act, 2004 submitted to the Ministry by Mr Jamal Uddin Ahmad FCA, Chairman of the Company Law Reforms Committee. Mr M Aminur Rahman, Secretary of the Ministry of Commerce presided over the meeting.

The meeting discussed the draft of the Companies Act 2004. It was then decided to finalise it by December 2004. But before finalisation it was decided to send the draft to concerned ministries, Registrar of Joint Stock Companies, Securities and Exchange Commission, FBCCI and other related trade bodies, ICAB, ICMAB, Supreme Court Bar Association and Bar Council seeking their opinions.

CPE Seminar on Finance Act-2004 Held at ICAB

The Institute of Chartered Accountants of Bangladesh (ICAB) organized a CPE seminar on Salient Features and Implication of Changes made in the Income Tax Ordinance, 1984 and VAT Act, 1991 by the Finance Act-2004 on 27 July, 2004 at ICAB Auditorium in Dhaka.

Mr. Khairuzzaman Chowdhury, Chairman, National Board of Revenue (NBR) and Secretary, Internal Resources Division, Government of the People's Republic of Bangladesh was the Chief Guest.

The chief guest, Mr. Khairuzzaman Chowdhury, said that people have apprehension about tax department and harassment. But he said neither taxpayers nor the tax collectors can be 100 percent perfect. He also said, tax officials found a taxpayer, who mentioned an annual income of only Tk. 1.3 lakh, but spent over Tk. 13 lakh through credit card a year.

Recalling his bitter experiences about tax evasion by a section of taxpayers, he said there is no reason to be scared of the laws if the payers submit returns properly.

Special Guest, Mr A.S. Zahir Muhammad, said at present about 16 lakh people hold taxpayers' identification number (TIN) but only 8.5 lakh submit return and half of them actually pay income tax.

Special Guest, Mr. AKM Rafiqul Islam FCA, said always there is an apprehension about the taxpayers and tax collectors. This apprehension should be reduced to a minimum so that people go to the tax collectors freely and not just avoid paying only 1600 taka or 1500 taka to get a TIN (tax identification number). About best judgment assessment, he said there should be criteria for such tax assessment. If there is a past assessment, the fresh assessment should not be more than 10 percent of the previous year's assessment.

Mentioning some inconsistencies in the relevant provisions of the two laws on income tax and VAT, he said there is tremendous difference between the penalties imposed under the Income Tax Ordinance and VAT Act. He requested the NBR chairman to look into the matter. About the provision of a joint commissioner's authority to revise any decision of a Deputy Commissioner of taxes, he said if there is any defect in the assessment, Deputy Commissioner of taxes should also be penalized, not only the taxpayers.

Members of the Institute took part in a lively discussion after the presentation of the keynote paper.

Session Chairman, Mr. A. Hafiz Choudhury FCA, conducted the session. Vice President, Mr. Nasir Uddin Ahmed FCA also spoke at the Seminar.

ICAN

ICAN Elects New President and Vice-President

Mr. Pushpa Lal Shrestha, FCA has been elected as the President for the period 2004-2005.

Mr. P L Shrestha was previously the Vice-President for the period 2003-04.

Similarly, Mr. Narayan Bajaj, FCA, has been elected the Vice-President for the same period.

CPE Made Mandatory

ICAN has made CPE compulsory for its members holding COP license. A member, with effect from July 16, 2004 will now have to earn an equivalent of 10 Hrs. CPE during a year to renew his/her COP license.

Additional Standards Adopted

ICAN has till date adopted 21 Nepal Standards on Auditing developed by Auditing Standards Board and six Nepal Accounting Standards developed by Accounting Standards Board.

ADB extends TA 3356 Assistance to ICAN

Asian Development Bank has extended the period of TA 3356: Capacity Building of Accounting and Auditing Profession in Nepal by three months. The project involves research on the development of Accounting Technicians in Nepal and preparation of long term Business Plan of ICAN.

SAFA Album



President SAFA giving award to the first Chartered Accountant who qualified from ICAN



President SAFA and President ICAN sitting with chief guest, Honorable Prime Minister of Nepal, Sher Bhudevur Deuba at SAFA Seminar held in Khatmandu.



A view of 54th SAFA Assembly held in Khatmandu, Nepal



Inauguration ceremony of SAFA 20th Anniversary Conference held in New Delhi



Past Presidents of SAFA and Office bearers of SAFA with the Chief Guest at the 20th Anniversary Conference



SAFA Office Bearers and Heads of Member Bodies with the Chief Guest in SAFA 20th Anniversary Conference



President ICAI giving shield to President SAFA



President SAFA giving Memento to President ICAI for hosting 20th Anniversary Conference



Members of the ICAB Delegation at the SAFA Conference held in New Delhi on 27 August 2004.



Participants at the CPE Seminar on "Role and Opportunities of Professional Accountants Towards Growth of SMEs" organized by ICAB.



Acting President-ICAB with senior officials of ICAB at the CPE Seminar on "Salient Features and Implication of Changes made in the Income Tax Ordinance, 1984 and VAT Act, 1991 by the Finance Act-2004" organised by ICAB