



Chronicle

December 2005



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

Md Nurul Hassan	President
Mr Sunil Goyal	Vice President
Mr Badruddin Fakhri	Advisor
Dr Ashok Haldia	Permanent Secretary
Al-Haj Md Matior Rahman	Executive 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
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From The President



This is going to be my last message as President of SAFA. The year 2005 will be remembered mostly for the two most successful international

Conferences held at Karachi and Delhi - the one at Delhi was graced by none other than the Hon'ble President of India, His Excellency, Dr A.P.J. Abdul Kalam.

I could not prove myself skillful in handling SAFA affairs - my failure to organize a Conference in Bangladesh became conspicuous and drew the dismay of everybody around. Some thought SAFA under my leadership would sink faster than a stone.

But the Permanent Secretariat and the accounting bodies of SAFA were desperate not to toe my line. Dr Ashok Haldia, Mr Sunil Goyal and Mr Badruddin Fakhri, among others, concentrated their efforts to make SAFA a highly informed community professionally. The SAFA member bodies stood up and were counted on issues where they were competent and experienced. The accounting bodies of the South Asian Region have done everything to ensure, through professional excellence, that our profession is held in high esteem and not only match but exceed public expectations.

The way the Permanent Secretariat has performed and supported the leadership of SAFA has been daunting and has carried with it a great deal of responsibility. The Working Groups, the Task Forces and the Centres of Excellence have all worked extremely professionally and mostly have been able to deliver what was expected of them. Let me express my gratitude and convey my congratulations

to the anchors of these units. My congratulations are also due to Dr Ashok Haldia and other officials who are working under him.

The South Asian Region has a long and distinguished history of accounting expertise. The accounting industry of the Region has not only helped to foster financial administration in the Region, it has actually made critical contributions to the Region's economic success, however modest it may be.

Like the worldwide profession of accountancy, the accounting industry of the Region has experienced difficult situations occasionally but it has been prompt to mobilize its strength, restructure its position and rejuvenate its mindset to make a move to a Way Forward as people of all ages and in all walks of life are increasingly interested in the future.

We have continued our tradition to reach out to the world as always - in 2005 our child, this Region's favourite young contender, Mr Kamlesh S Vikamsey, President of the Institute of Chartered Accountants of India was elected Deputy President of CAPA.

*- Md Nurul Hassan
President, SAFA*

Forthcoming Events

- 59th Assembly Meeting: 28th December 2005 at Kathmandu
- ICAN Programme on 'Sarbanes Oxley Act': 28th December 2005 at Kathmandu
- Best Presented Accounts Awards Ceremony: 28th December 2005 at Kathmandu
- ICAI International Conference on 'Role of Accountancy Profession in Anchoring Economic Growth': 19th-21st January 2006 at Mumbai

*Seasons' & New Year
Greetings to All*

58th Assembly meeting

The 58th meeting of the Assembly was held on 3rd September 2005 at New Delhi. The significant decisions taken by the Assembly included the following:

- Finalization of Code of Best Practices in Corporate Governance in SAFA Countries
- Adoption of Study on VAT in SAFA Countries
- Revision in criteria for evaluation of Best Presented Accounts Award entries to align itself to the best international disclosure trends
- Approval of financial statements



58th Assembly meeting held on 3rd September 2005 at New Delhi

The following teleconferencings have been held since 58th meeting:

- (i) Teleconferencing of Nodal Officers on 30th November 2005
- (ii) Teleconferencing of Centre of Excellence on Best Presented Accounts Award & Best Corporate Governance Award on 5th December 2005
- (iii) Teleconferencing of Group of the Centre of Excellence on Education, Training and CPD on 13th December 2005
- (iv) Teleconferencing of heads of member bodies on 13th December 2005

Representation at CAPA Board Meeting

President represented SAFA at ninth Board meeting of the Confederation of Asian and Pacific Accountants held on 9th-10th November 2005 at Seoul, South Korea.

Centres of Excellence and Working Groups

Centre of Excellence on Education, Training and CPD

The Centre of Excellence met on 1st September 2005 at New Delhi and inter alia considered the comparative analysis of curriculum of Chartered Accountancy member bodies with a view to recommend steps to harmonize the overall qualification framework in these bodies. The Centre of Excellence also determined to study the requirements and prevalent practices in respect of CPD for professional accountants in the Region. The Centre of Excellence also recommended organization of joint programmes between member bodies.

A Group constituted by the Centre of Excellence met on 5th December 2005 to consider further the viewpoint of education officials of member bodies on uniform Chartered Accountancy qualification framework in the Region and agreed to submit appropriate recommendations to the Centre of Excellence shortly.

Centre of Excellence on Best Presented Accounts Award & Best Corporate Governance Award

At its meeting held on 2nd September 2005 at New Delhi, the Centre of Excellence approved revision in criteria for evaluation of entries for Best Presented Accounts Awards to be recommended to the Assembly. The other matters discussed at the meeting included the introduction of additional categories for the Awards and award of merit certificates.

A teleconferencing of the Centre of Excellence was held on 5th December 2005 to finalize Best Presented Accounts Awards for the year 2004.

Working Group on Networking of Firms

The Working Group met on 1st September 2005 at New Delhi to consider the specific needs of member bodies in respect of the introduction of concept of Networking amongst firms registered with member bodies.



Meeting of Working Group on Networking of Firms held on 1st September 2005 at New Delhi

A questionnaire has since been circulated to elicit information relating to the state of accountancy profession in countries, the factors perceived to impede the growth of the profession generally and the envisaged developmental approach to strengthen the profession through erection of a framework for the Networking of firms.

Working Group on Accrual Accounting in Governments and PSEs in SAFA Countries

A meeting of the Working Group was held on 1st September 2005 at New Delhi. The Working Group analyzed the accounting system and practices in vogue at different levels of the Government in member nations and deliberated upon issues warranting consideration by Governments while undertaking accounting and financial reforms.

Working Group to Recommend upon Way Forward for Restructuring of SAFA

The Working Group met on 2nd September 2005 at New Delhi and considered the viewpoint of member bodies on the issues and propositions enshrined in 'Discussion Paper on SAFA Way Forward'.

Task Force on Cost Indices of Major Products in SAARC Countries

The Task Force reviewed the cost-related data in respect of industries selected under first phase of the Study. The format for presentation of cost information in respect of these industries was also approved. The Task Force shall submit its Report to the Assembly in January 2006.

Other activities

Best Presented Accounts Awards 2004

Best Presented Accounts Awards for the year 2004 were finalized at the teleconferencing of heads of member bodies held on 13th December 2005. For the first time, the Merit Awards were also adjudicated in addition to the category-wise and overall winners.

Students' Exchange Programmes

Coinciding ICAI's 18th All India Students' Conference organized on 8th-9th December 2005 at Indore, an invitation was tendered to nominate students for exchange programmes in India. Students' Exchange Programmes were organized in which 12 ICAN students and ten ICASL students participated.

More Students' Exchange Programmes are on anvil.

SAFA Member Body News

BANGLADESH



Best Corporate Performance Awards

ICMAB Council has decided to introduce Best Corporate Performance Awards. The Award is proposed to be adjudicated in five sectors - Banking, Non-Banking, Insurance, Service and Manufacturing. The criteria for evaluation of entries is being finalized.

Cost Accounting Standards

ICMAB is mulling over development of Cost Accounting Standards

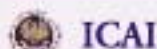
in Bangladesh, which is a pre-requisite for effective implementation of the Cost Audit function in industries.

Seminars and Conferences

Recently ICMAB organized a discussion session on 'Role of Accountants in Poverty Alleviation Through Capacity Building' on 8th September 2005 at Dhaka.

A two-day programme on theme 'CPD Programme & Accounting Standards for Financial Reporting' was also organized on 1st-2nd December 2005 at Dhaka.

INDIA



ICAI President Appointed to IFAC and CAPA



Mr. Kamlesh S. Vikamsey

ICAI President, Mr. Kamlesh S. Vikamsey, has been appointed to IFAC Board for a three-year term. He has earlier been a member of Small and Medium Practices Permanent Task Force of IFAC.

Mr. Kamlesh S. Vikamsey has also been elected as the Deputy President of CAPA for two years till November 2007. He would assume the position of President of CAPA in November 2007.

International Conferences

ICAI organized a two-day International Conference on 'Accountancy Profession: Adding Value to New Horizons of Economic Growth' on 1st-2nd September 2005 at New Delhi. Inaugurated at the august hands of His Excellency Dr. A.P.J. Abdul Kalam, Hon'ble President of India, the Conference was a momentous event witnessing the presence of eminent speakers from across the globe.



ICAI International Conference 'Accountancy Profession: Adding Value to New Horizons of Economic Growth' organized on 1st-2nd September 2005 at New Delhi

ICAI is geared to organise another International Conference on 'Role of Accountancy Profession in Anchoring Economic Growth' on 19th-21st January 2006 at Mumbai. Also this event would be a landmark occasion as it shall dwell upon vast range of contemporary subjects by galaxy of Indian regulators, corporate leaders and luminaries from worldover.

New Education & Training Scheme

ICAI has been reviewing its students' education and training scheme on constant basis in consonance with the international education standards. Based upon the recommendations of the Committee on Review of Education and Training, ICAI Council

has approved new education and training scheme for students.

In the new Scheme, a Common Proficiency Test (CPT) has been decided to be introduced. Students can register for CPT any time after clearance of 10th Standard and prepare for CPT while pursuing school education till 12th Standard. CPT examination can be taken on completion of 12th Standard examination.

As per the new Scheme, those who have passed 12th Standard Examination and CPT, can register for practical training of duration of 3½ years. The registered students can appear for Professional Competence Examination (PCE) on completion of 18 months of practical training. The students can appear for Final Examination on completion of 3½ years of practical training and clearance of PCE. Both the Compulsory Computer Training and the restructured course on General Management and Communication Skills (GMCS) could now be completed during the practical training itself. The revised Scheme shall come into force shortly.

E-Initiatives

As an initiative under the ongoing Virtual Institute Project, ICAI has started e-Seva project. The project has been conceived with the idea of bringing together the Chartered Accountants as well as those aspiring to become CAs as a virtual community.

Steps have also been taken to promote e-learning for students through the medium of virtual class rooms.

SAARC Charter Day Celebrations

ICAI organized a Debate on 'Right to Information Necessary for Accountability' to commemorate 20th Charter Day of the SAARC on 8th December 2005, at New Delhi. Participated by 13 students and observed by over 100 delegates, the Debate facilitated spirited discussion on the subjects, which has hogged the attention of the Government and the governed recently.

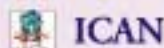
IIN Meeting

From 22nd to 24th January 2006, ICAI shall host the meeting and Conference of International Innovation Network (IIN). IIN is an organization of accountancy institutes from 16 countries in Europe, Asia Pacific and the Americas representing nearly one million accountants. IIN promotes member organizations to share their products, services and concepts designed to cater to needs of professional accountants and the organizations served by professional accountants. The meeting shall be the maiden congregation of IIN representatives in the Region.

Recent Publications

- Guidance Note on Accounting by Schools
- Revised Guidance Note on Tax Audit
- Technical Guide on Risk-Based Internal Audit in Banks

NEPAL



ICAN

ICAN to host CAPA Meetings in May 2006

ICAN shall host the CAPA Ex-Com and Annual General Meetings slated for 22nd-24th May 2006 at Kathmandu.

Technical Assistance from ICAI

ICAN continues to be assisted by ICAI in institutional and professional development initiatives in pursuance of the MoU signed between two bodies.

An interactive programme on disciplinary procedures aimed at strengthening the mechanism for regulation of accountancy profession in Nepal was organized on 23rd September 2005 at Kathmandu. ICAI nominated a key official to discuss disciplinary cases and suggest steps to streamline the disciplinary mechanism. Also in November 2005, ICAI nominated its official to interact with ICAN students, faculty members and Education and Examination Committees and participate in several workshops.

ICAN also contemplates launching DISA Programme for its members shortly with technical co-operation from ICAI.

PAKISTAN



ICAP

New Office Bearers



Syed Mohammad Shabbar Zaïdi has been elected as President of ICAP for the year 2005-06. Mr. Zaïdi was first elected to ICAP Council in 2001 and served as Vice-President for the year 2002-03. He is also a member of Federal Government Task Force for Tax Reforms and Task Force on Corporate Policy of the Securities and Exchange Commission of Pakistan.

Mr Imran Afzal has been elected as Vice-President (North) and Mr Ahmad Saeed as Vice-President (South) for the year 2005-06.

Best Corporate Report Awards 2004

On 26th August 2005, ICAP and ICMAP jointly organised the Fifth Best Corporate Report Awards Ceremony to confer awards for the year 2004 under the Financial and Non-Financial sectors.

Quality Assurance Board

Formed in 1987, the Quality Control Review Committee of ICAP is being converted into Quality Assurance Board. Quality Control Review Programme is carried out by full time staff of ICAP and the review ratings constitute basis for appointment of auditors of listed companies in Pakistan and for empanelment of auditors of banks undertaken by State Bank of Pakistan. The Board shall have a non-practising Chartered Accountant as its Chairman and also the nominees from Securities and Exchange Commission of Pakistan, State Bank of Pakistan, stock exchange and other institutions, as members.

SMP Task Force

ICAP Council has formed a Taskforce to address issues pertaining to infrastructure and manpower & other resources faced by small and medium practitioners. The Task Force shall submit its recommendations to ICAP Council in February 2006.



ICMAP

10th Management Accountants International Conference:

ICMAP organized the 10th Management Accountants International Conference on 'The Profession of Management Accountants in Changing Global Scenario' on 24th-25th September 2005 at Islamabad. Eminent speakers from home and abroad shared their philosophy on varied aspects of dynamic global professional scenario.

Visit of ICMAB President

Md Ruhul Amin, ICMAB President visited ICMAP on 16th November 2005 to discuss the education and examination system and to carry forward other matters of mutual interest to the two bodies.

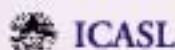
Coordination Committees with SECP and SBP

Securities and Exchange Commission of Pakistan, State Bank of Pakistan and ICMAP have constituted Coordination Committees with a view to have closer dialogue and interaction of the agencies in updating Company Laws, IASs/IFRS and SBP Prudential Regulations.

Publication on ADR

A publication on 'Alternate Dispute Resolution' has been released by ICMAP to serve as vital guide for academicians, jurists, revenue officials, lawyers, legal experts, government, students, etc.

SRI LANKA



ICASL

26th National Conference

ICASL organized the 26th National Conference on 10th November 2005 at Colombo, which was inaugurated by Mr K. Rahman Khan, Hon'ble Deputy Chairman, Rajya Sabha (Upper House) Parliament of India.

10th Annual Oration on Taxation

The tenth Annual Oration on Taxation was held on 22nd November 2005. Mr M. Abdullah Yusuf, Chairman, Central Board of Revenue, Government of Pakistan also delivered a speech on 'Fiscal Policy for South Asian Countries Pakistan's Experience' at the programme.

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

Visit us at : www.esafa.org

Write to us at safa@icai.org