



Chronicle

June 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

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From The President



The profession in SAFA Region has grown enormously in the recent past and all the member bodies of SAFA have grown in reputation as well in size. Together the region represents professional accountants who are making their contribution to respective national economies.

The accounting profession has come to face the new challenges and new frontiers with liberalization and globalization of economy. We, at SAFA, are committed to keep the profession vibrant and build up its image by keeping professional accountants fully alive to the emerging changes in the global scenario.

In a developing region like ours, the exchange of professional views and experiences is essential to enable the professional accountants to keep abreast of new skills and techniques. Various seminars and conferences have been organized under the aegis of SAFA from time to time to exchange views and experiences amongst its member bodies.

Accountants have a significant and valuable role to play in improving and raising the standards of governance. SAFA is continuously endeavoring to improve and develop a regulatory environment most conducive to fostering good corporate governance.

While SMEs in our part of region form the major core and occupies an important place in the economy, they suffer from structural limitations arising out of their size and

inadequate capital base. A need, therefore, arises to prepare Accounting Standard for SMEs to reduce the financial reporting burden on SMEs. Internationally IASB has been working on financial reporting standards for SMEs and will publish the Exposure Draft by mid 2006 for public comments on which SAFA can render valuable suggestions as it is also under process of finalizing Accounting Standard for SMEs.

SAFA's initiative have paved way for recognition of work being done by SAFA and its member bodies. International/Regional bodies like IASB, IFAC and its Committee, CAPA, have been interacting with SAFA. IASB's request was received for nomination of SAFA on 'Task Force on SME Accounting Standards' and 'IAESB Consultative Advisory Group', which is a step forward in our efforts to bring SAFA's work progress at these forums.

It is my firm belief that Accountants with intellectual resources, talent and expertise in our member countries have the resilience to face any challenges and problems that comes in their way. By our efforts, vision, courage and winning strides our members will continue to shine as the best professionals, naturally coveted for excellence in their services.

Sunil Goyal
President

Forthcoming Events

- Meetings of Centres of Excellence and Working Groups: 14th July 2006 at Dhaka
- 61st Assembly Meeting: 15th July 2006 at Dhaka
- International Conference on "Resource Mobilization and Management of Economic Growth": 15th - 16th July 2006 at Dhaka

60th Assembly meeting

The 60th Assembly meeting of the Assembly was held on 18th April, 2006 at Karachi, Pakistan wherein the following were decisions were taken:

- Constitution of a Working Group on Regulation of Accountancy Profession in SAFA member bodies
- Approval of the need to develop a common CPD Calendar for the Continuing Professional Development (CPD) of the member bodies
- Approval of the development of accounting standard for micro-finance enterprises
- Approval of the timeframe for the adjudication of the Best Presented Accounts Awards for the year 2005
- In-principle approval of the proposal of conducting Assembly meetings by electronic mode
- Enlargement of the technical base of SAFA by employment of various technical personnel on various Centres of Excellence and Working Groups, the cost of which could be funded out of the corpus
- Budgetary allocation out of SAFA funds for the enhancement of the website as an interactive forum
- Constitution of a Task Force on Mutual Recognition Agreements



1st Meeting of Working Group on Regulation of Accountancy Profession in SAFA member bodies held on 30th June 2006 at New Delhi

First South Asian Accounting Summit

Under the aegis of SAFA, a two-day summit in collaboration with the International Accounting Standards Board (IAESB) was organised on April 18-19, 2006 in Karachi. The Summit was addressed by Sir David Tweedie, Chairman IASB; Warren McGregor, Member IASB; Paul Pacter, Project Director on Accounting for SMEs of IASB and many learned speakers from various professional standard setting bodies of SAARC.

The Summit was an overwhelming success with more than 500 participants from the member bodies of SAFA.

SAARC invitation to SAFA

SAARC Directorate vide its communication dated June 1, 2006 informed that SAARC Apex Bodies may be invited as guests to open inaugural and closing sessions of the Summits and other ministerial meetings which would be organized under the auspices of SAARC.

President's Update

The maiden issue of the President's update was launched recently in the month of June.

Centres of Excellence and Working Groups

Centre of Excellence on Education, Training and CPD

A meeting of the Centre of Excellence on Education, Training and CPD was held on 17th April 2006 at Karachi at which the following were proposed:

- common syllabus for implementation at level 1 and level 2 of the qualification of Chartered Accountancy in the member bodies
- development of a common CPD calendar for the member bodies
- enhancement of SAFA's website as an interactive forum

Centre of Excellence on Standards and Quality Control

A meeting of the Centre of Excellence was held on April 17, 2006 at which the following decisions took place:

- review of the comparative analysis undertaken earlier in regard to the Accounting Standards and Auditing Standards established within the Region respectively with the International Accounting Standards and Auditing Standards
- proposal to develop an accounting standard for micro-finance enterprises

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

The Centre of Excellence met on April 17, 2006 at Karachi and decided upon the timeframe for the adjudication of Best Presented Accounts Awards for the year 2005.

Working Group on Corporate Governance Practices in South Asian Countries

The Group, at its meeting held on 17th April, 2006, committed its working towards the finalization of the criteria for evaluation of entries for the proposed Corporate Governance Disclosures Award and recommended member bodies to undertake evaluation of effectiveness of code of corporate governance practices.

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

The Group met on 17th April 2006 and considering the vast experience held by ICAI assigned the member body, the responsibility to undertake further research in this direction.

Working Group on Networking of Firms

The Working Group met twice during the period, first on 4th April 2006 in a teleconference and then on 17th April 2006. At its meetings the Group decided to share the data pertaining to its members and agreed to remove all the obstacles in the smooth implementation of the concept of networking.

SAFA Member Body News

BANGLADESH

ICAB

CPE Initiatives

ICAB organized a CPE Seminar on the theme 'Accounting of Donor Grants by NGO's and Financial Reporting and Auditing of MFIs, NGO-MFIs' on 30th April 2006 in the Institute's premises. The Programme focused on the technique and the modus operandi of Accounting and Financial reporting of the NGO-MFIs.

ACCA delegation visits ICAB

A delegation of the Association of Certified Chartered Accountants (ACCA) together with a member of British Council Dhaka visited ICAB on 12th April, 2006 in the premises of the Institute. The members from both the ends decided to work towards building a fraternity among themselves to promote the cause of accounting profession.

ICMAB

CPD Program on IAS

ICMAB organized a CPD program on International Accounting Standards on June 1, 2006 at Dhaka. This was

the second CPD program, which was inaugurated by Hon'ble Minister for Information, Bangladesh, Mr. M. Shamsul Islam. The program witnessed participation of a large number of delegates including the fellow and associate members and senior students of ICMAB.

Discussion Session on Basel II

ICMAB organized a Discussion Session on 'Basel- II Capital Accord on Banking Supervision and Management' on April 07, 2006 at Dhaka. Former Deputy Prime Minister, Government of the People's Republic of Bangladesh and the Past President SAFA, Mr. Jamal Uddin Ahmad chaired the session, which saw the participation of a large number of members.

Conference on Corporate Governance

A conference on 'Corporate Governance-Bangladesh's Perspective' was organized by ICMAB on March 14, 2006 at Dhaka. The conference witnessed participation of a host of dignitaries including Finance & Planning Minister, Bangladesh; State Minister for Education, Former Governor Bangladesh Bank etc.

INDIA

ICAI

Study on International Taxation released

ICA India has come out with a study on various aspects of International Taxation. The study provides a lucid explanation to the various practical aspects of international taxation including taxation of non-residents; permanent establishment; double taxation avoidance agreements; transfer pricing and advanced rulings.

CA Day Celebrations organized

Commemorating the 58th CA Day, ICA India organized a Conference on 'Role of Accountancy Profession in Promoting Economic and Social Development' on 1st July 2006. The Conference was a momentous event witnessing the presence of eminent speakers from across the globe.

New Curriculum

ICA India has launched a new curriculum, which will cut down the duration of the course to about 4 years and will have components of Common Proficiency Test and Practical Training concurrent with components of Professional Competency Examination. The scheme is targeted to ensure best available talent at the appropriate time.



CA Day organised by ICA India on 1st July 2006 at New Delhi

Chartered Accountants (Amendment) Act, 2006

ICA India has amended certain provisions of its existing parent Chartered Accountants Act, through the Chartered Accountants (Amendment) Act, 2006. The amendments have been notified by the Government of India in the Gazette of India (Extra Ordinary) dated 23rd March 2006.

NEPAL



ICAN

BPA National Award Categories extended

ICAN has extended categories for adjudication of Awards under its Fourth National Level Best Presented Annual Report Competition. The existing category for award under Financial Institution has been extended to Financial Institution (Bank) and Financial Institution (Non-Bank-Insurance and Development Banks and Finance Companies). Two more categories of Manufacturing and Hospitality have been added. The reports will be judged on the basis of Best Presented Report Evaluation Criteria of SAFA. The winning Reports shall be nominated for SAFA Best Presented Report Competition.

DISA Eligibility Examination

ICAN had launched its Diploma in Information and Systems Audit with the support of ICAI very recently. The said courses' first written examination was held on May 13, 2006 that saw brilliant results of its members.

Directives on Code of Ethics

ICAN has announced the issue of series of directives on Code of Ethics. ICAN's Committee on Code on Ethics is drafting detailed directives in order to educate the members on the various provisions enshrined in the Code of Ethics.

PAKISTAN



ICAP

Best Corporate Report Awards-2005

ICAP and ICMAP shall organize a ceremony for the adjudication of the 6th Best Corporate Report Awards for the year 2005. The annual reports from all the listed companies/ banks have already been requested for and the evaluation process is expected to begin soon.

ICAP's modular scheme revised

The modular scheme as existing under the ICAP's curriculum has been revised and the new scheme shall be applicable with effect from November 1, 2006. The first examination under the said revised scheme will be held in Spring 2007.

IASB/ South Asian Regional Standard Setters Meeting

ICAP organised a meeting of the International Accounting Standards Board (IASB) and the South Asian Regional Standard Setters on to ascertain the adoption status of International Accounting Standards and the challenges faced by the South Asian Countries in implementing these standards.

The meeting saw the presence of Chairman IASB Professor David Tweedie; Mr Warren McGregor, Board Member and Mr. Paul Pacter IASB Project Director.

Training Workshop for Students of SMPs

A training workshop on ' Introduction to Financial Statements and Audit' was organised by ICAP on May 20, 2006 at Karachi. A number of students actively participated in the workshop and learned on practical auditing and QCR related matters.

More such workshops are on anvil.



ICMAP

Vision, Mission and Core Values revised

ICMAP's Council approved its New Vision, Mission Statement and Core Values at a recently held meeting in May 2006, which are as under: -

Vision "To be the Preference in Value Optimization for Business".

Mission "To develop strategic leaders through imparting quality education and training in Management Accounting, to continually set and upgrade professional standards and to conduct research, bringing value-addition to the economy".

Core Values - Integrity, Competence, Pro-activity and Innovation

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