



**South Asian Federation of Accountants**  
**(An Apex Body of SAARC)**

**Annual Activity Report-2012**



## South Asian Federation of Accountants

### Activity Report for the period 1<sup>st</sup> January 2012 to 31<sup>st</sup> December 2012

#### Introduction

South Asian Federation of Accountants (SAFA), an Apex Body of SAARC was set up in 1984 for promoting the accounting profession in the countries in South Asia and internationally with a mission to bring the accounting bodies in the region together at a common forum and facilitate professional cooperation in the areas of education, training, technical and ethical standards.

SAFA as an Apex body of SAARC and regional grouping of IFAC has been playing a pivotal role for the harmonization of professional standards in the areas of accounting, auditing, ethics and education and is committed to raise the level of profession in the Region. SAFA provides special impetus to co-operation amongst its member bodies for the overall growth of the accountancy profession in the SAARC region and explores means in which, it as a representative forum, could play prolific role in the development of the accountancy profession.

The jurisdiction of SAFA comprises of eight countries namely India, Pakistan, Bangladesh, Nepal, Sri Lanka, Afghanistan, Bhutan and Maldives. Out of above said eight countries Bhutan and Afghanistan do not have any recognized professional accounting body. SAFA has been in regular touch with above said countries for institutionalization of accountancy profession there. SAFA has recently admitted CPA Maldives as an Associate Member. Now after admission of CPA Maldives following are the members of SAFA:

#### **Full Members**

1. Institute of Chartered Accountants of Bangladesh
2. Institute of Cost & Management Accountants of Bangladesh
3. Institute of Chartered Accountants of India
4. Institute of Cost Accountants of India
5. Institute of Chartered Accountants of Pakistan
6. Institute of Cost and Managements Accountants of Pakistan
7. Institute of Chartered Accountants of Nepal
8. Institute of Chartered Accountants of Sri Lanka
9. Certified Management Accountants of Sri Lanka

#### **Associate Member**

1. Certified Practicing Accountants of Maldives

During period under report, SAFA has identified six strategic themes for developing the individual action plan of its technical Committees constituted in the areas related to accounting, auditing, ethics, education, quality control,



public sector, PAIB and alike. The prime objectives of these Committees are to promote and implement IFAC work plan in SAARC Region. Following are the six strategic themes identified by SAFA in the overall context of SAFA mission of positioning, maintaining and developing the accountancy profession in public interest and playing a broader role in the regional economic development:

- To promote Sustainable Business Practices and Reporting in SAARC
- To strengthen Corporate Governance Standards in SAARC
- To develop Uniform Accountancy Education Framework in SAARC
- To assist SAARC Governments in Accounting and taxation related areas
- Capacity Building of Small & Medium Practitioners (SMPs) in SAARC Region.
- To promote professional ethics in SAARC Region and to work towards reducing corporate corruption in SAARC Region.

A brief report on the activities undertaken by SAFA is placed below for kind consideration

S.No.	Activity/Event	Brief Information about the activity
1.	<b>75<sup>th</sup> SAFA Assembly meeting</b>	The 75 <sup>th</sup> meeting of SAFA Assembly was held on 7 <sup>th</sup> January 2012 at Chennai, India. At the meeting, the appointment of new office-bearers for the year 2012 was ratified by the Assembly. Mr. Muhammad Rafi, Past President of the Institute of Cost and Management Accountants of Pakistan was appointed as the President while Mr Abdul Mannan of the Institute of Cost and Management Accountants of Bangladesh was appointed as Vice President for the year 2011. Mr Mushtaq Ahmad Madraswala, Executive Director of the Institute of Cost and Management Accountants of Pakistan was appointed as the Executive Secretary for the year 2012.
2.	<b>SAFA Board &amp; Committee meetings</b>	To achieve the action plan of SAFA for the year 2012, SAFA has organized six highly productive Board meetings -two in Pakistan and one each in India, Bangladesh, Sri Lanka and Nepal in 2012. Coinciding with the meetings of the Board, meetings of various technical Committees also took place. Significant progress has been observed on the projects undertaken by various Committees during period under report.  19 <sup>th</sup> SAFA Board meeting held on 20 <sup>th</sup> January 2012 at Lahore, Pakistan 20 <sup>th</sup> SAFA Board meeting held on 20 <sup>th</sup> March 2012 at New Delhi, India 21 <sup>st</sup> SAFA Board meeting held on 3 <sup>rd</sup> May 2012 at Dhaka, Bangladesh 22 <sup>nd</sup> SAFA Board meeting held on 21 <sup>st</sup> June 2012 at Colombo, Sri Lanka



S.No.	Activity/Event	Brief Information about the activity
		<p>23<sup>rd</sup> SAFA Board meeting held on 14<sup>th</sup> September 2012 at Kathmandu, Nepal</p> <p>24<sup>th</sup> SAFA Board meeting held on 10<sup>th</sup> November 2012 at Lahore, Pakistan</p>
3.	<p><b>Collaboration with EFAA in the matters of Joint Conference, Webinar and SMP Exchange Programs</b></p>	<p>SAFA in collaboration with EFAA had organized a successful Webinar on the theme 'VAT Experience in Europe by SMPs' on 23<sup>rd</sup> March 2012 that was attended by 25 participants from SAFA Region.</p> <p>Another such Webinar on the theme 'How can SMPs interact worldwide to help SMEs develop Businesses' was organized on 12<sup>th</sup> October 2012.</p> <p>In addition, SAFA had sent a delegation to Rome on 9<sup>th</sup> -10<sup>th</sup> May 2012 for attending EFAA Annual Conference on the theme 'Exploring Business and Professional Ethics for SMPs &amp; SMEs'. Mr. Muhammad Farhad Hussain, Past President ICAB had presented a paper on the topic 'The ethical role of SMPs as it applies to its SMEs and the role of the SMPs as the trusted advisor' at the Conference.</p>
4.	<p><b>Strengthen Ties with Global Reporting Initiative to promote Sustainability in SAARC Region</b></p>	<p>With a mission of Sustainable Development and to promote Sustainability Reporting in SAARC Region; SAFA has entered into a MoU with Global Reporting Initiative on 27<sup>th</sup> November 2011 at Dhaka, Bangladesh. MoU was signed in the august presence of Her Excellency Sheikh Hasina, Hon'ble Prime Minister of Bangladesh.</p> <p>To promote the Concept of Sustainability Reporting in SAARC Region, SAFA had organized an International Conference on the theme 'Sustainability &amp; Corporate Responsibility' on 21<sup>st</sup> June 2012 at Colombo, Sri Lanka. The Conference was hosted by the Institute of Certified Management Accountants of Sri Lanka.</p> <p>SAFA has also organized a South Asia Conference in collaboration with Global Reporting Initiative on 26<sup>th</sup> September 2012 at New Delhi on the theme 'Sustainability Reporting for a Sustainable Economy. Coinciding with the Conference a Master Class on Sustainability Reporting was also organized for participants from SAFA member countries to make them fully aware about the need and benefit of sustainability reporting.</p>
5.	<p><b>Uniform Accounting Education through developing and application of common curriculum for both Chartered Accountancy</b></p>	<p>The Committee on Education, Training and CPD of SAFA has prepared comparative studies of syllabi, training requirements and CPD requirements of Chartered Accountancy member bodies as a first step towards developing a model curriculum for SAFA Chartered Accountancy bodies. Similarly a model curriculum for Cost &amp; Management</p>



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	<b>and Cost &amp; Management Accountancy disciplines</b>	Accountancy bodies is also under consideration of the Committee.
6.	<b>Assisting Government of SAARC countries for implementation of Accrual Based Accounting System through organizing Seminar and Conferences</b>	<p>SAFA has already developed a report of Accrual-Based Accounting in SAARC Countries in September 2006.</p> <p>SAFA Committee on Governmental &amp; Public Sector Enterprises Accounting is regularly meeting to review the progress of implementation of Accrual-Based Accounting System in SAARC countries and has planned to develop a comprehensive study on Accrual-Based Accounting System and status of adoption of IPSAS in South Asian Region. The Committee has developed a questionnaire to collect information from the SAFA countries on the status of accrual-based accounting system and adoption of IPSAS. Based on the information so received, a comparative study of the status of Accrual Based Accounting has been prepared.</p>
7.	<b>Harmonization of Tax Regimes in SAARC Region</b>	<p>Committee on Harmonization of Fiscal &amp; Tariff Regimes has been preparing a comparative study of Fiscal &amp; Tariff Regimes in SAFA Region. Based on the comparative study the Committee would undertake further steps for Harmonization of Tax Regimes in SAARC Region.</p> <p>In addition, SAFA Seminar on International Taxation &amp; Transfer Pricing was hosted by the Institute of Chartered Accountants of Nepal on 15<sup>th</sup> September 2012 at Hotel Radisson, Kathmandu, Nepal.</p>
8.	<b>Development of compliance for improvement in Transparency, Accountability and Governance</b>	<p>With an objective of promoting best practices and to promote transparency, accountability and governance in SAARC Region, SAFA has been organizing Best Presented Annual Report Awards &amp; Corporate Governance Disclosure Awards since 1996. SAFA has also renamed Corporate Governance Disclosure Awards as 'SAARC Anniversary Awards for Corporate Governance Disclosures'. The objective of name change is to bring SAFA more closely to SAARC.</p> <p>During period under report SAFA has revised its evaluation checklist for the awards competition 2011. SAFA Committee for Improvement in Transparency, Accountability and Governance at its meeting held on 12<sup>th</sup>-14<sup>th</sup> December 2012 at Colombo, Sri Lanka has also finalized the winners of the SAFA Best Presented Annual Report Awards 2011 and SAARC Anniversary Awards for Corporate Governance Disclosures Competition 2011.</p>



S.No.	Activity/Event	Brief Information about the activity
9.	<b>2<sup>nd</sup> SAFA Summit held on 10<sup>th</sup> November 2012 at Lahore, Pakistan</b>	<p>The Institute of Cost and Management Accountants of Pakistan has hosted the 2<sup>nd</sup> SAFA Summit on 10<sup>th</sup> November 2012 at Lahore, Pakistan. <b>Mr. Muhammad Rafi</b>, President South Asian Federation of Accountants (SAFA) delivered the welcome address, in which he highlighted the role played by SAFA in promoting the accounting profession in the region. He also outlined the achievements and milestones of SAFA and the future action plan of SAFA.</p> <p><b>Mr. Nazir Ahmed Shaheen</b>, Executive Director, Securities Exchange Commission of Pakistan was the Chief Guest at the occasion.</p>