



**The Pakistan**

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# accountant

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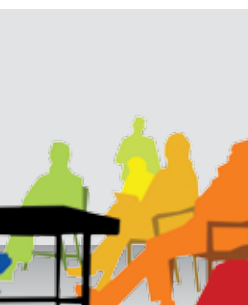
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## Editor's Letter

It is said that success is where preparation and opportunity meet. There has never been a more appropriate time for CFOs to have an effect, with CEOs greatly looking to them to aid shape business direction and approach. Once termed as a bean-counter, the CFO is now adjusting traditional responsibilities with rising demand for data-driven analysis and visions that support development and approach.

Driving this change in a progressively competitive and dynamic business situation, where majority of the industries are being disrupted by innovations in technology and new business models impacting the ways business is conducted and customer services are done. The business outlook is also modifying by the growing globalisation, a strong regulatory environment, and the increasingly expanding emerging markets, making more complexity for the CFO as well as a new set of business preferences.

All of these disruptive factors are redefining the CFO role. The role of

the CFO is shifting to being more of a strategic partner, either that is defining new ways to increase organisation capital, playing an important role in business mergers and acquisitions (M&A), or aiding company in growth plans.

Looking forward, the prospective professionals of business and finance pursuing the career track of CFO — and existing CFOs seeking for growth in their career paths — will require to keenly examine and enhance, if required, their knowledge, skill sets, areas of focus, and business relations to become successful CFOs of the future.

To fulfill critical strategic priorities, the CFO needs to better understand digital technologies and data analytics tools. They will have to improve their skills in managing relationships with stakeholders, including investors and senior management; understanding what drives stakeholders, communicating proactively to strengthen stakeholder relationships. They will need to be more coordinated and communicated with other departments giving the company

an identity and proficiency that consistently lead to success.

The business industry demography shows how much the CFO role was changing since last two decades and the emerging CFO role as strategic financial leader requires upgraded skills needed to be successful today and in the future, some of which weren't traditionally deemed important.

In the past, CFOs role was just of an accountant and there wasn't a need to have a strategic or business vision. This strategy worked well for quite some time, but now, has disintegrated in the existing business scenario. To become more competitive, CFOs will need to have a wide range of skills and capabilities to prepare themselves for the upcoming challenges and opportunities of the future. They should keep continuing their professional development and personal growth which will be vital for success as they take on a more strategic role.

**Yacoob Suttar**





## President's Page

**T**he chief financial officer (CFO) has always served as a sounding board for chief executive officer (CEO) — a person who pulls the strings behind the throne helping to create strategic financial decisions to drive the business development. Today's modern CFO has widely emerged as not only a financial leader, but also a strategic business leader. CFO is now not just a number cruncher, but also a C-suite power player, who no longer takes a back seat in business deliberations, but acts as a key driver for appraising business strategic opportunities.

Organisations are expanding the role of CFOs and their teams from finance to strategic business analysis. In high profile organisations, CFOs are the navigator, well-equipped to guide their teams through fluctuating economic situations.

Evaluating data has become more relevant for the modern CFO as they guide their organisations through market growth, Initial Public Offering (IPO) process and overall development. Access to real-time data has assisted CFOs in becoming business navigators because they aren't only focused on their previous experiences, but are able to forecast altered scenarios in future.

The prospect for CFOs to act as business leaders at high-growth

organisations is especially strong. Such organisations are keenly tackling business concerns, ranging from product development and market adoption to hiring and fundraising and are considering CFOs to act as business leaders in each area.

For CFOs, accountabilities go far beyond setting and handling financial essentials. These CFOs must fully comprehend the size and scope of the market and the potential growth prospects. As a result, they are embracing business analytics, forecasting and sophisticated modeling to deliver future forecasts. CFOs can influence an organisation's business model. By leveraging the power of data insights and analytics, CFOs can swiftly adjust their business models by modeling certain situations and responding to different growth periods.

Another area where the modern CFO is adding tremendous value is the association between the organisation and its venture capital firm(s). CFOs are taking more projecting roles in key areas of both the funding pitch process and quarterly board meetings. These promising, fast-growth venture capital organisations need a dynamic CFO early on to work with the board and executive team to decide how to strategically allocate capital across the business.

To help identify and assess fresh strategic approaches and help their companies, CFOs will need to develop leadership and team-building skills and must be prepared to go beyond number counting, they need to change their communication styles to become highly adaptive with a greater emphasis on digital channels and formats in reaching internal and external stakeholders effectively. Effective communication skills, likeability, leadership, commercial awareness and an entrepreneurial mindset are the most important skills needed to succeed in senior finance roles.

It's clear that for the modern CFO, the job definition now comprises business strategist. These organisation power players are growing their traditional responsibilities and tapping the power of data analytics to predict and make strategic decisions to fuel business accomplishment. By providing organisation stakeholders with a holistic view of the entire organisation, the CFO takes center stage and allows the executive team and board of directors to embark on a rapid growth trajectory.

Today's modern CFO knows that while you can't control the winds, you can adjust the sails.

**Nadeem Yousuf Adil**

# The Future CFO Role

**CFOs have a major obligation for making sure that the organisation is investing in the processes and technologies that will create this wealth and leverage these assets.**

**T**he growing economic instability, ambiguity, risk and uncertainty are serious challenges and issues facing today's business environment. The chief financial officer's strategic business role and the need for better alignment between business strategy and the finance team role, mainly the formation of systems, metrics and processes for pursuing success is essential to face the increasing diversity of the business world. Nevertheless, the main point for finance is to actually comprehend the business in the first place, its environment and, most importantly, the factors that create value and growth for the organisation. Finance should know how to create growth from businesses in the future, and how to change the processes that drive wealth for the organisation. Intangible items such as data and the related information that can be collected from analysing this data, branding, intellectual property and talent are the growth catalyst in many organisations. CFOs have a major obligation for making sure that the organisation

is investing in the processes and technologies that will create this wealth and leverage these assets.

There are other important forces affecting the future of finance i.e. the changing nature of business leadership in a complex and multifaceted operating landscape, the growing speed of technological revolution, the proliferation of consumer choice, fluctuating business models, newly emerging industries and markets. Due to augmented ambiguity and risk, the CFOs are operating in a less certain environment than in the past, and all the above factors will determine



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how the CFO culture must evolve, which skills, capabilities and traits will be most prized, and how the prospective talent evolving through the function can be developed to face the altering business models and organisational structures. The five major challenges shaping the future role of finance are:

### **Risk and Volatility**

The volatile economic situations and risk are the key influences impacting the role of CFO. The business environment brings new heights of scrutiny to the role of CFO, the effectiveness of the investments it makes, and the quality of support provided in decision making for the organisation. However, finance continues to be pushed on furnishing the information that helps in making future decisions for the organisation; finance leaders see the reality of the environment and the appeal for information, but due to changing business landscape where risk proliferates, the delivery of task becomes difficult. Socially, this is a big challenge for many CFOs and their finance teams too; finance needs to adapt innovative techniques in order to operate in an environment with greater uncertainty and risk.

### **Organisational Strategies with Smarter Finance Delivery**

It is essential for the CFOs to successfully align the finance function to the business strategies. With this transformation, the CFO must ensure the right metrics, systems and processes are implemented to support strategy execution, deliver more information insights and drive cost and process effective finance operations. In order to lead successfully to the strategy role, CFOs should maintain the effective and efficient operating model for their finance team which is agile, accessible, and aligned to the changing needs of the organisation to spotlessly bring the controllership agenda and support the organisation strategy.

### **Data Centric and Value Driven**

The assets that drive corporate wealth are gradually not what they used to be. Intangible items such as information, corporate branding and talent are the dominant parts to future value creation for an organisation. Business understanding is the core part to the future CFO role. They should know how to modify the business in the long run to generate value; to drive sustainable return on organisation assets. CFOs need clarity on where growth will come from and where to allocate the capital of the organisation for better returns. But the job can't be done properly unless they get their hands on the right data. The CFO function has a major future role to play in getting the organisation data basics accurate for better decision making.

**The CFO role is becoming tougher and more difficult to prepare for, and so they have to change the way they do things: they can no longer do the same things and expect different results.**



### **New Technological Frontiers**

CFOs will need to prioritise investment in technology in order to drive growth to the business. By doing so, digital technologies will become a central finance leadership enabler in all businesses. The present finance technology environment remains overly complex, and the smart CFOs recognise the restrictions of prevailing technologies, and have a responsibility to ensure that mobile, cloud, social and analytics technologies become the strategic tools in driving organisational change, innovative business models, and expand the contribution of the finance role to support organisational strategy and compliance with regulatory obligations.

### **Emphasis on Human Capital**

It is essential that the quality of talent available to the CFO function must be of high stature as it could make or break its future success. A finest quality should be placed on the leadership role with the appropriate skills; the capacity to manage change, more effective communication, the ability to think strategically and innovatively and to demonstrate a real and deep understanding of the commercial drivers of the business.

### **Conclusion**

The CFO role is becoming tougher and more difficult to prepare for, and so they have to change the way they do things: they can no longer do the same things and expect different results. CFOs should know all the innovative ways to do business in the face of the increased demand for information, volume, speed and clarity, increased regulatory requirements, and increased business complexity, including intense scrutiny and demand by customers and stakeholders.

Their approach should rely on three fundamental steps. One, to maximise the use of technology, wherever possible, the goal is to improve the automation rate and achieve efficiency. This can be achieved with the growing partnership between the CFO and the chief information officer (CIO). Two, to redesign the organisation processes whenever needed, CFOs cannot do the same things as in the past and expect to be more efficient, so they have to redesign the way they do things. Three, to invest in talent, CFOs and their teams are expected to play a vital role in defining and executing the organisation strategy, they should invest in the broader set of skills and responsibilities which will be beneficial for the organisation growth and development.

# CFO — Adding Value

by Rehan Mobin

In the late 90s as an aspiring accountant with one of the Big Four firms, I was tutored by my seniors that conservatism and prudence are the fundamentals of accounting, which means that accountants must keep a watchful eye on the expected worst case scenarios and maintain their records accordingly. That you must take cognizance of anticipated losses and resist recognition of any expected gain unless it is absolutely certain, no matter how it may affect the valuation of your balance sheet. That when you are assessing the soundness of a business, you should look for the health of balance sheet and current income scenario. The rules of accounting have remained unchanged but the rules of business have changed significantly. Now, when investors evaluate a business, yes, they look at the financial statements but more importantly, they look for potential of current customers, prospective customers and the value of the people working for business. The intangibles have become more critical for the value of business than the tangibles. Therefore, it is essential that CFOs, sitting at the helm of company's finances and stakeholder-relationship management, should find new ways to keep abreast with the changing business environment within the accepted accounting norms or face the risk of oblivion.

As a professionally qualified accountant, when one sees a taxi calling App Uber (which do not own even a single taxi) or SnapChat, a multimedia mobile application, valued at billions dollars. The classic case is Facebook, an online social media service, acquiring WhatsApp, a messenger service, for US \$19 billion. We all use WhatsApp in our daily lives but a very few of us may have ever paid any amount to use that service. Initially, WhatsApp charged US \$1 as fee for a year after one year of free use. The total revenue of the business was approximately US \$15 million for the first half of 2014, the period in which the transaction took place. Even that US \$1 fee was waived by Facebook after acquisition. So, a business which just has a series of coded algorithm, a configuration of computers and servers as assets with no revenue, an App which started just five years ago, is now valued more than the GDP of several small countries.

'Influence' is the real value in today's world. In the age of smart phone applications and technology, businesses are not valued by the size of their assets or their revenues or even potential revenues but their ability to influence the expanding consumer base.

In the present world, historical ways of cost recording, timely closing of the financial years and getting financial statements quickly and free from material misstatements are no longer the Key Performance Indicators (KPIs) for CFOs. Companies have an



**The real power is not information but the capability to extract value in that information and use the influence of that information for benefit. The real value of CFO is to become the pivotal point of knowledge for the organisation, understanding the potential impact, recognising the value beyond figures and tangibles.**





**The job of the CFO  
is not to always  
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to achieve the  
results according  
to the strategy.**

array of software and second or third tier accountants for that. Businesses do need CFOs to monitor matters of legal compliance of the activities but this role, with the change of time, is also gradually being passed on to chief compliance officers. So what a CFO must do, to remain relevant and retain the hard won position as a valuable member of the top management team?

It is often said that information is power but that really isn't true. Anybody who has a smart phone, internet and a few bucks can access all the available information in the world that one can comprehend. The real power is not information but the capability to extract value in that information and use the influence of that information for benefit. That is the role of CFO in the emerging business world. The real value of CFO is to become the pivotal point of knowledge for the organisation, understanding the potential impact, recognising the value beyond figures and tangibles.

Market intelligence, industry-specific intelligence, impact of measures taken by governments, economic responses to the changing consumer behaviour are the work tools with which the modern CFO must be equipped to gain sustainable competitive advantages. The acid test is how the CFO is able to use this information to influence the business strategy. A CFO needs to guide the sales team on what is about to emerge in the market so that they can devise appropriate sales strategies; and the IT teams on what information needs to be extracted from the data base and how to format that information; and apprising CEOs and board of directors on the changing competition scenario of the market, marginal and disruptive changes in consumer behaviour with marginal changes in the product, impact of economic and technological changes on the targeted customer; hence, being the core driving force for business strategy.

Realising the value of employees as vital assets and the importance of working environment has also assumed strategic importance for business growth. Hence astute CFOs also play their role in creating better work place environment. We all know about the work place design and environment of businesses in Silicon Valley. Just search YouTube and you can see that Google has the best facilities in the world. Employees can take care of almost every personal need in the office from food to taking comfortable naps, to sports and driving around in luxury cars. All is freely available for the employees. Maintaining these facilities incurs substantial costs but the impact of incurring these costs has made Google the 'employer of choice' for the whole world. This means Google has the first right of refusal of the smartest brains in the world. The brains which have driven the total market value of Google in excess of over US \$500 billion. The job of the CFO is not to always say 'no' but to invigorate the work environment which influence employees to use their best abilities to achieve the results according to the strategy.

Emotional Intelligence is also a very important trait of a modern CFO. The role entrusted to a CFO by the shareholders and board of directors of the company is so empowering as the CFO must take decisions which impact customers, employees and other stakeholders. It is essential for the CFO to remain aware of and be in control of one's emotions. Express opinions in a way that builds lasting interpersonal relationships judiciously and empathically.

Another important aspect of CFO value addition is linking business planning procedure with anticipated risks. Inferring what could go wrong when managements execute their business plans. Educating team members about the specific planning steps which are vulnerable to specific risks. It is always helpful when CFOs hold open discussions with other team members on what could be the mitigating factors, even take external professional advice and conclude how to best avoid those risks. If possible, CFOs should carry out sensitivity analysis which helps in managing expectations of all the stakeholders and mitigates strategic risks.

The core purpose of the job of a CFO remains the same, i.e. preserve and build value for the stakeholders. However, the role of CFO is evolving where modern CFOs have realised now that with the changing environment remaining conservative does not necessarily mean denying expenses all the time or looking at revenues in the near future for every rupee spent. The real growth of business lies in the manner it can influence the lives of the customers and also the lives of the people working for it, a combination which drives the shareholders' value as well as the value of the custodian of that shareholders' value i.e. CFO.

By the way, even after two years of spending US \$19 billion on acquisition of WhatsApp, Facebook still has not monetised the service or has added any other revenue line with the App, concentrating just on creating an expanding consumer base.

# CFOs – Moving forward through Communication Skills

One are the eras when the liability of CFOs ended with financial reporting, compliance, audits and presenting the accounts annually. CFOs today need to be able to see the 'big picture' and to play a key role in strategic capital allocation and corporate leadership decisions. An active CFO should be able to lead with intellectual and emotional swiftness, and possess refined decision-making, problem-solving and communication skills.

As the trend becomes increasingly prevalent in organisations of all sizes and sectors, the duty is on finance professionals to obtain or strengthen the specific qualities needed for the job of strategic advisor.

More than ever, these top finance executives are utilised — and valued — as right-hand advisors to CEOs and other C-suite colleagues (important and influential group of individuals at a company) in myriad ways. To do so effectively, CFOs and finance professionals must possess certain "soft skills" and characteristics, including:

- 1. Communication:** It's the only way senior finance professionals will ultimately lead change within their company. Being open and transparent with employees during problematic times, such as a recession or crisis, also earns respect.
- 2. Courage:** The courage to do what's right and willingness to challenge others in difficult circumstances is critical. Change is often scary; CFOs need to be bold and brave to see the big picture and assure others that their solutions will work — for employees and the customers.

**No matter how skilled someone is in a particular job, if he or she is a poor communicator, advancement opportunities are limited.**

**3. Composure:** Being calm, collected and consistent are essential qualities for every CFO. Being visibly confident and in control is crucial to avoid panic during tough times.

**4. Capability:** To make strategic decisions, it's important to have both the hard skills and the soft skills to help take the organisation to the next level.

**5. Continuously improving:** CFOs must have the drive to aggressively evolve — the business and also one's own professional development. Conferences, webinars, certifications, degrees, etc. contribute to advancing skills and knowledge. You're never done learning.

**6. Cultivate the big picture:** CEOs create the big picture; CFOs must be able to understand it from an independent perspective, both internally and externally, and the focus on the long-term goals that will support the organisation's mission for years to come.

In reality, many CFOs become bogged down by the daily strategic hassles of reporting and number-crunching, with little or no time for big picture tactical thinking. A problem that is intensified



### **An active CFO should be able to lead with intellectual and emotional swiftness, and possess refined decision-making, problem-solving and communication skills.**

by the ever increasing complexity attached to the conventional finance functions such as transaction processing, audits, risk management and reporting brought on by rapid technological change and increased access to data.

In a survey conducted by Rotman School of Management, Canada, consisting of 1,400 CFOs asking what finance-department areas most required improvement. So-called soft finance skills – those involving communication and leadership – trumped basic functional job capabilities.

In another survey, communication skills were cited as the greatest need by 31% of the executives interviewed, according to the Accountemps (temporary accounting staffing services), the need for stronger leadership skills was noted by 26%. Meanwhile, 14% said “functional, job-related skills” were those most needed, and 12% each voted for strategic planning and project management.

No matter how skilled someone is in a particular job, if he or she is a poor communicator, advancement opportunities are limited. The ability to effectively convey a point verbally and in writing can be a key interpreter of leadership potential.

The latest survey by Accountemps showing the importance of soft skills in the view of finance chiefs, led to devise a list of tips for improved communication. They include:

Paying attention to detail which includes proofreading draft reports and emails. Even minor typos and grammatical errors send an unfavourable impression. Vague or imprecise directions can lead to pricey mix-ups and pointless back and forth. Listening more carefully, focusing on what is being said rather than trying to formulate a response in your head while the other person is

still speaking. Examining nonverbal cues being sent out, such as those from poor body language, including crossed arms, restless fingers or a tense expression. Furthermore, avoiding unfocussed responses such as looking out the window, checking smartphone or glancing at watch while someone's talking. Practice can be done by rehearsing presentations, and perhaps taking a public speaking course.

A 2012 Ernst & Young report said that finance professionals need to be acquainted in the languages of investors, financial analysts, customers, partners, employees and stakeholders who seek instant, transparent analysis.

As CFOs or CFOs-to-be try to become more involved in strategy, they must broaden their scope and learn to converse outside their familiar finance dialect. CFOs must make it their collective goal to move beyond the stereotype of “number-cruncher.” The profession has an unprecedented opportunity — and challenge — to take on the role of strategic advisor; soft but fundamental skills have never been more important.

In other words, it's not enough for finance to deliver numbers only.

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# Finance Forte

Majority of today's CFOs have had six or more finance roles during their career.

**T**he future operating environment for tomorrow's companies is complex and competitive. It is also less stable, and inherently risky. Amid this uncertainty, tomorrow's CFO and the finance teams they lead must somehow chart a path to create and sustain value for their businesses.

Today's finance gurus should know how the CFO role is evolving, and explore the developments shaping finance leadership in the future. It is important to know what are the experiences that next generation finance professionals need to acquire.

For all the finance professionals with aspirations on becoming future CFOs, the career path they will need to pursue is already being redefined with wider economic, social and technological trends impacting business environment. However, there is no need to suggest the finance leadership rulebook to be entirely re-written for future CFOs, because this is a story of evolution, not revolution.

It is important to know how future CFO career pathways will evolve in future. From traditional stewardship role to value catalyst, as the CFO role evolve, it will require the upgraded skill set and capabilities along with the career experiences that bring about proficiency in those capabilities. It will play out in many ways; the need to grow broader leadership competences beyond traditional finance fortes; the need for deeper sector specific and business knowledge and experience; the capacity to lead major change projects and transformation cross-functionally; skills in working efficiently across diverse cultures and international settings; improved communication and influencing capabilities



which allow finance professionals to put across the right messages to divergent internal and external stakeholders groups, and so on.

These core evolving capabilities will be nuanced and prioritised according to the organisation size, its culture, future strategy, sector, history, geographic location, and so on. These capabilities are not required by chance. They are a direct response to how the business environment is altering, and as a result, reflect the changing expectations the business and the market has of the CFO and the finance teams they lead; a global economy where businesses function from low-growth markets to fast-growth emerging markets; the growing use of shared services in finance and business service theories with focused and engaged finance operation wired to add value or to provide deep specialist finance advice in an increasingly complex regulated environment; the increasing risk, with broader regulatory challenges and greater scrutiny on organisation performance; a more competitive environment, powered by the growth of consumer power in an age of increasing brand disloyalty and lower switching costs; and spreading of information and data through social, mobile and cloud technologies that will transform the ways of business. Due to all of these developments, below are some suggestions for the current/aspirant CFOs on the skills and capabilities that will be of most value for their future CFO role.

### **1. Identify your finance essentials**

The aspirant CFOs will require a robust financial know-how and should target career experiences that provide them with that know-how across various points in the finance organisation. Majority of today's CFOs have had six or more finance roles during their career.

As the scope of the role rises, it's idealistic to assume CFOs to deep-dive into each aspect of the finance operation, but critically they must be able to ask the right questions across the organisation. These skills come from experience gained across multiple finance roles. Experience in specialised roles will remain to be helpful, but experience in finance mainstream roles remains vital.

### **2. Understand strategy and business experience as the new direction**

CFOs role in supporting strategic growth will be valued more in future. Formulation of strategy and execution was identified as the most important area for future CFOs.

According to the business study, over the next decade the business setting will be reshaped by globalisation, transformational innovation and market volatility. CFOs of the future should explore greater mobility in and out of the finance organisation, constructing the commercial qualities needed, and the internal relations. Building commercial qualities early on in career will be beneficial, but routes to and from the finance must be planned wisely.

### **3. Insight and analytics - the next big thing in finance career**

For future CFOs and their finance teams, it is really important to know how organisations associate, regress and infer data to drive better decision making as data develops and the multiplicity of information brings new challenges to decision making in business environment. The business will be more challenging on the insights required from the finance because the necessary technology should be in place to provide this information. CFOs will need to have career experience in financial insight and analysis which is identified as the second most important area for them, so they will be able to comprehend its application and value.

### **4. Develop risk experience**

CFOs will face more risk in future business settings. From traditional financial risks to emerging risks like cyber or online reputational risk, it will be difficult to calibrate and manage if not properly handled. The CFOs will have a major role to play in managing the organisation's investments that need to be taken against possible risk impacts, and plan out the diverse settings. Experience in risk management is the third most important area for future CFOs. They should be prepared to take calculated decisions, having a better understanding of the risk implications.

### **5. Evolve as a deal maker**

As the global economic environment is shifting towards long term growth in businesses, much is likely to be through merger and acquisition (M&A) and other forms of business associations, tapping into established businesses to find easy market entry and influence expertise and market knowledge. Merger and acquisition was analysed as the fourth most important area of experience for the aspirant CFOs to attain. It gives specific technical experience in constituting deals, and can help develop wider skills in change and project management. On a broader term, we can expect experience in capital market, investor relations and funding

The top four skills the future CFOs will need are communication skills, change management skills, strategy skills and leadership skills.

Formulation of strategy and execution was identified as the most important area for future CFOs.

## CFOs will face more risk in future business settings – from traditional financial risks to emerging risks like cyber or online reputational risks.

to remain core finance capabilities in the future CFOs of larger businesses.

### 6. Be customer/stakeholder focused

The future CFOs will have to interact and engage various stakeholders and they will be on the same ground across a wide range of finance and non-finance relations. CFOs need to plan for roles that raise their breadth of stakeholder engagement and nurture strong relationship management skills. The finance professionals will need to be accustomed to the requirements of varied consumers and cultivate a customer-centric culture. This will be an important transition from back to front office for the finance team. It is necessary for future CFOs to be customer savvy and build roles which gives better customer understanding in future business developments.

### 7. Concentrate on management skills

As the aspiring CFOs will be required to fulfill their tasks with a wide range of skill sets, there are other management capabilities that will also be needed to perform the role successfully. The top four skills are communication skills, change management skills, strategy skills and leadership skills. Strong and effective communication skills are really important to align messages and deliver appropriate context on financial and business performance to various groups of stakeholder. Businesses will continue to evolve and requires re-engineering of operations and activities, so hands on experience in transformation and change management will also be a preference for future CFOs. Similarly, robust leadership skills will be vital because the success of the future finance is reliant on a strong leadership vision and an engaged and skilled finance team particularly when finance becomes more diverse.

### 8. Equip for more regulations and broader reporting

According to business studies, CFOs know they will face more regulations in future. Regulation was the third important factor identified by business gurus influencing the role of future CFOs. They need to be confident working in a regulated environment and should skillfully put in finance processes and structures that manage legislative and increasing tax requirements efficiently.

Along with more regulations, there will be continuing changes in reporting

requirements like increasing interest in integrated reporting, more participation of finance in other corporate performance measures, more use of financial and non-financial data, altering investment assessments to account for social or environmental impacts, etc. Aspiring CFOs need to track developments in these areas and align their career plans accordingly to develop their future understandings and growth.

### 9. Get connected

Technological transformation is still lagging in finance. Recent developments on the horizon may well shape the CFO role and their team. The day-to-day business practices are transforming by the growing social, mobile and cloud technologies. There are other possible expansions in the role like the use of robotic software in different areas of finance to increase automation and improved workflow, plug and play technology, and real-time information access that gives finance professionals the ability to manage and manipulate data effectively and provide an immediate, integrated view of business performance. Technology and automation was the fourth highest identified factor influencing the CFOs role. Future CFOs need to be technology experts and should target roles which cultivate and utilise their technological understanding.

### 10. Expand your impression

The nature and standing of finance professionals and their teams will continue to evolve with the spreading business landscape. The aspirant CFOs will need to manage the growing demands between mature and emerging markets and carefully formulate finance strategies. They will need to be proficient at working in the global business environment, leading their teams which are virtual and divergent across mature and emerging markets. The CFOs must be completely aligned to the needs of the business, from dealing new reporting requirements to driving financial insight into new markets and new consumer sectors, or raising capital, they must be capable enough to bring cross-cultural, cross-market business and finance experience to the management table. Future CFOs will need to understand the ways in which finance can add value across the organisation by supporting and challenging business decision making. They should be able to clearly articulate the vision and strategy for finance, ensuring that the finance is committed to and aligned behind a set of common objectives that will support organisations' needs and future requirements.

Future CFOs will need to understand the ways in which finance can add value across the organisation by supporting and challenging business decision making.

According to business studies, CFOs know they will face more regulations in future.



# Expected Technological Advancement & Role of CFOs

by Muhammad Yousuf



In the current era, technological advancements have affected approximately all fields of life and businesses. It's impossible to stay away from technological inventions and innovations and survive. In business particularly, if an organisation doesn't adapt to technological developments, it would be losing its position in market. Alternatively, timely adaption to technology will result in achieving positive outcome.

Responsibilities of chief financial officers in current era is not restricted to managing only finance function of an organisation but also include involvement in business activities of an organisation. It is necessary for the holder of such a critical position to have a closer look over the effects of technological advancements on finance functions in particular and business in general.

At present, there are many trending technological advancements which have effects on the role of CFOs; two amongst them, and its effects on an organisation in connection with the role of CFOs, are discussed below:

## Business Intelligence and Analytics

In present time, huge internal and external data is readily accessible from various internal and external sources. Such availability of enormous data has cast a responsibility on CFOs to make intelligent and beneficial decisions for

the organisation, after careful analysis of data and various probable relationships amongst them.

It is critical for CFOs to make best use of available internal and external Business Intelligence (BI) and analytics resources and take smart decisions. BI is usually defined as "an umbrella term that refers to a variety of software applications used to analyse an organisation's raw data."

Typically, raw data was being analysed by using lower technological techniques including various functions of spreadsheet. However, many organisations are using advanced data analytics for instant growth in their businesses. Advanced data analytics skills include use of various statistical and non-statistical techniques. Some have their own data analytical software installed while others use various data analytics resources available online or outsource.

CFOs should use these techniques to make and implement decisions for growth of their business.

## Robotics

International Data Company (IDC), an American market research company, predicted that by 2019, 30 percent of commercial service robotics applications will be in the form of a Robot-as-a-Service (RaaS) business model. This will help cut costs for robot deployment. IDC goes on to predict that by 2019, 30 percent of leading organisations will implement a

chief robotics officer role and/or define a robotics-specific function within the business.

In China, various labour intense functions of business are being performed by robots which ranges from security function to warehouse material movement. It is expected that in future the involvement of robots in business would increase.

CFOs should be well aware of possible benefits which can be taken from this emerging field of technology. Wide range of benefits which can be of use includes the non-stop production, assistance in extreme working environments, cost reduction, standardisation of processes, etc.

Despite various benefits from technology, it must be noted that the responsibility lies with CFOs themselves. In the words of Til Schuermann, an expert on enterprise-wide risk management and corporate governance: "When models turn on, brains turn off."

Current time requires the maximum use of technology along with critical analysis of situation. If only technology is relied upon, it may be disastrous for the CFO as well as the organisation.

## References

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# CFO Vision – Crises to Watch for

It's not every day that a tragic event occurs which has the prospective to disrupt the income producing capabilities of a business in the short-term, which could result in substantial reputational risk and threaten the going concern basis of the company. And when an organisation fails because of executive malfeasance, it generates a lot of attention.

But such situations are actually relatively rare. It's much more common, though less talked about, for organisations to fail because of incompetence. That is, someone does the wrong thing while trying to do the right thing, and organisational systems fail to catch it and contain it.

Boards that emphasise on problem-finding place their organisations on safer foot. Problem-solving panels establish structures and processes that prevent many problems from arising and suppress emerging problems quickly and effectively. Problem-finding boards understand the three drivers of ungoverned incompetence — a collapse of capability, shortcomings in self-governance, and inadequate corporate governance — and why they can be so hard to detect.

## Collapse of Competence

When executives take on problems beyond their capabilities, competence fails. This is rarely deliberate; they normally wander out of their competence zones without noticing. Their operating environment changes in a way they don't recognise, or they take on a project that they believe is within their capability but isn't.

## Shortcomings in Self-Governance

If someone realises they are beyond their competence and seeks help, the failure can be mitigated or even averted. But

if the person who is out of their depth neglects to seek help — a inadequacy in self-governance, they fuse the collapse of competence.

## Inadequate Corporate Governance

A third problem is when essential information that highlights the possibility of failure does not flow from the CEO to the board or from the supervisee to the boss. CEO at the business level, almost invariably controls the board agenda. Of course, the CEO and the chair (or lead director) sit down amicably and select the items for each board meeting. However, the chair is at the mercy of the CEO to know what is really going on in the organisation. This certainly happened at the professional services organisation, where the CEO ensured that virtually all communication between staff and the board went through him, and senior professionals knew that they would be criticised for indicating concern about the CEO to the board. At a managerial level, corporate cultures, impression management, and bosses dodging accountability can all lead to a climate in which supervisees learn to report only the good news.

In some cases the information may be flowing but the board may lack the skill to interpret it.

It is vital that you're always prepared for when disaster strikes. In these instances, it creates a series of issues the CFO must address. Some of these may include:

- The need to engage with crisis management consultants and legal support to cope with extraordinary circumstances.
- Communication of continuous disclosure requirements immediately to the market and in detail for external reporting purposes.



- A significant fall in the value of the shares of the listed entity, which is likely to result in an increase to the relative cost of raising capital.
- A lack of sufficient net cash inflows to operate the business.
- Potential breaches in banking covenants.
- The likely negative impact on employee morale and loss of key people.
- The need to raise additional equity or debt to fund the business.
- Credit rating downgrades.
- Realising the contingent asset of relevant insurance policies.
- Long term damage to the reputation of the business and the likely impairment in the value of goodwill.
- Loss of market share and/or reduced margins.
- The potential for an audit qualification or some other form of modification to the auditor's report.

Here are some practices that ease problem-finding corporate governance:

- Have an explicit negotiated agreement about the relationship between the board and management. Staff and board members must be allowed to do problem-finding work while not cutting across the turf of line management.
- Design the processes by which the board does its regular work — strategy development and approval, capital approvals, performance reviews, etc. — to embed problem-finding. This is more than just asking "tough" questions at the meeting that managers can anticipate.
- Adopt a problem-finding mind-set. Think about parts of the organisation that may be generating problems.
- Understand that most problem-finding will happen outside the board room, and involve employees several levels below the executive team. Problem-finding boards need some members

(but not necessarily all) who spend time working closely with employees to find out how things really work.

- Embed as much of problem-finding movement as possible into the performance measurement system for line managers and delegate the rest to staff groups. Problems will only be found reliably if the board mindfully ensures that these systems are designed to find problems and makes sure they are delivering.
- Beware of biases and blind spots that result from becoming too steeped in the culture of the organisation. Question the norms and conventions that drive people's behaviour.
- Acknowledge the limitations in problem-finding and look for ways to mitigate them. Develop internal learning and reflection systems.

As strategic risk increases, so do the chances of failure because of ungoverned incompetence. Generally, most of these failures are minor — generally, projects that are quietly written off. Occasionally a major disaster strikes, causing a corporate catastrophe. Boards need to place control systems that are essentially for problem-finding to catch them early.

The CFO is ideally placed to ensure that risks are properly identified, recorded and wherever possible mitigated by establishing and overseeing the risk register in association with a Risk Committee. So when that crisis hits, the CFO should already have plans ready to activate which address the crisis and minimise the damage to the business. CFO to the rescue!

Sources: <https://hbr.org/2017/01/the-3-company-crises-boards-should-watch-for>  
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# Critical Review

## of Sindh Sales Tax on Services Act, 2011 & Suggestions

by Abbas

### 1. Preamble

Sindh Sales Tax on Services Act was promulgated in the year 2011. Since then this law has gone through substantial changes having present and potential effects on the taxpayers already registered and other stakeholders as well. The author being a practicing accountant and a taxation and corporate lawyer, has originally made an attempt to analyse this law threadbare, in the best interest of both the taxpayers and the revenue. The author had to restrict the areas and contents of this article due to space restriction.

### 2. Section 2(4)(iv) Relative

The definition of relative should be made precise and restricted to include spouse, children, parents, brothers and unmarried sisters. Rest of the relations would already be covered under section 4(i) being general/broader definition of 'associates' or 'associated persons.'

### 3. Section 2(13A) Auctioneer Read with Tariff Heading 9819.91 and the Rule 41C

It is suggested to remove the proviso to the sub-rule 3. The rational is that the owner of the property auctioning his own property does not fall within the business and definition of the 'auctioneer.'

### 4. Section 2(31) Registered Person

A person who has not registered but liable to be registered will have all the burden of a registered person, but has been denied

the privileges of a registered person. It is suggested that without prejudice to legal actions available against such person for non-registration, the person who is treated as registered should be saddled with all the privileges of a registered person.

### 5. Section 2(32) & Section 44 Rate of Default Surcharge

For the purpose of simplicity and convenience of all registered persons, it is suggested that the rate default surcharge should be specifically mentioned (based on average prevalent rate for the preceding year and subject to periodical review in every budget, for substantial changes in the interest rates) rather than left to the complex computation based on Karachi Inter Bank Offer Rate (KIBOR) prevalent on the first day of each quarter plus certain percentage.

Furthermore, default surcharge under clause (b) of section 44 is in the nature of penalty, which would be defeated at superior legal forum if contended.

### 6. Section 2(52) Input Tax Read with Section 8(1) Scope of Tax

Sales tax rates should be reduced to the minimum practicable, say 7% across the board and the concept of input tax be done away with suggesting moving away from Value Added Tax (VAT). This would ensure smooth functioning of the tax machinery and would also have a good check over unscrupulous practices. Furthermore, this would also avoid unnecessary conflict with the Federal Board

of Revenue (FBR) since already no input tax is allowed on services provided at concessionary rates (which is less than the standard rate of 13%).

## 7. Section 5(b)&(c) Value of a Taxable Service Read with Section 6 Open Market Price of a Service

The clause (b) read with clause (d) has been faithfully taken from the Sales Tax Act, 1990 and cannot be applied in case of services. There is neither any definite cost of a service unlike 'cost of goods' nor there is any fixed or determinable value of any service like a particular product, which can be independently bought from the open market usually with a price tag on it. The value and cost of service is a derivative of varied and immeasurable circumstances, e.g. the nature and size of the business, cost of the business set-up, professional reputation of the person rendering the service, personal choice and resources of the recipient, etc.

Accordingly, it would be inappropriate to determine the value of service by any definition. The question of improper value can only be raised in case of 'associates' at the most.

Furthermore, a lot of small services are provided as complimentary to the main business given to the practitioner, and no fee is charged. The value of such 'small free services' are often either impracticable or cumbersome to determine and would be a waste of time and could lead to trivial litigations.

Accordingly, it would be prudent to delete the following provisions:

Clause (c) of sub-section (1) of section 5

Clause (b) of sub-section (1), and sub-section (2) of section 6

Clause (a) of sub-section (1) of section 6 may be suitably amended to cover exceptional circumstances, for instance, in case of services provided to associates at a prima facie lower price than usual practice of the service provider for others.

## 8. Section 10 Exemptions

All exemptions should be listed as a separate Schedule for the convenience of the taxpayer rather than separate Notifications.

## 9. Section 23 Assessment of Tax and Amendment – Arbitrary Powers

Sub-sections 5 and 6 are unusual in an indirect tax with self-assessment system. The section 23 (5) (i) should either be deleted or suitably amended to vest such powers in the commissioner or Board only. Additionally, the taxpayer should first be confronted with a show-cause notice with substantial reasons/evidence(s) that warrant reopening of the assessment.

## 10. Sales Tax on Legal Practitioners and Tax Consultant

The provincial government has failed to recover sales tax from the 'Legal Practitioners' and 'Tax Consultants' due to their smart move of going to the litigation whereas, chartered accountants and cost and management accountants are paying sales tax since the year 2013 and their sales tax rates have increased from 4% to 8%, i.e. doubled within a short span of time. This is unjustifiable

because the same services if, provided by chartered accountants and cost and management accountants, are subjected to heavy rate of tax.

## 11. Tariff # 9806.3000 Sales Tax on Renting of Immovable Property (PI see Section 84)

To the best of our knowledge, the government has not been able to implement and recover tax under the above 'Tariff Heading' because of impracticability of identification of taxpayers and the legal implication arising out whether renting of immovable property itself, is a service. The Act itself has not been able to justify renting as service, except an attempt has been made by adding an Explanation-I to the clause 79 of section 2. It is suggested to withdraw this sales tax.

If the above view is not agreeable by the taxation authority, a pecuniary limit must be prescribed in the Notification No. SRB-3-4/7/2013, dated June 18, 2013 under Tariff Heading 9806.3000 so that the implementation may be made practicable by directing efforts towards high rental properties.

## 12. Show Cause Notice Section 23 and Retention of Records Period Section 27(1)

**Section 23 (2):** The period of issuing show-cause notice and record keeping should be in line with other fiscal laws the Sales Tax Act, 1990 and the Income Tax Ordinance, 2001 where the maximum period for audit and record keeping is five to six years. Before the Sindh Finance Act, 2016 it was five years which were abruptly changed to eight years.

Furthermore, the requirement for keeping records u/s 27(1) has been changed from five to ten years without any logical reasoning. This would make the department sluggish in identifying deficiencies through timely audit to enable the taxpayer to take timely corrective measures and would also cause unnecessary hardship to the taxpayer.

## 13. Section 25A(3) De-Registration

Giving extension power to 'any officer of the Sindh Revenue Board (SRB)' makes the original prescribed period for disposal of the application 'within three months' meaningless. The extension power should be vested in the 'Board' or the chairman only with stated substantive reasons communicated to the taxpayer.

## 14. Section 26(5) Requirement to Certify Payment of Sales Tax due and Deficiency

Firstly, there shall be no need for such a certificate in view of a statutory audit done under the provisions of the Companies Ordinance, 1984 and International Standards on Auditing. Furthermore, the department has unquestionable right and responsibility to conduct audit of taxpayer, irrespective of previous audit(s) of the taxpayer conducted by any authority whatsoever. It may also be noted that even as per rule 47 'Scope of Special Audit', the auditor is required to give a professional opinion and not to certify. However, instead of the standard term 'true and fair' the term 'correctly' has been used in this rule which also needs improvement. Anyhow, where a full-fledged special audit under the Chapter VIII of the Sindh Sales Tax on Services Rules, 2011

recognise that the auditor can only give his professional opinion, then how the requirement of certification is justified under section 26(5) when the statutory auditor is giving his professional opinion on the financial statements as a whole.

If this is not acceptable to the tax authorities then a report to this effect may be required by any professional and not mandatorily by the statutory auditor.

Furthermore, the wordings 'the payment of sales tax due and any deficiency in the sales tax paid' be duly explained through a circular and be restricted to short payment apparent from the sales tax returns filed.

## 15. Section 27(2) Requirement to Produce Records

This sub-section could be misused by the taxation authority since it apparently gives arbitrary powers to an officer to demand records 'as and when required.' The officer can misuse the authority to simply harass the genuine taxpayer for no valid reason simply taking the shelter of the wordings 'as and when required.' Under the present self-assessment scheme, this sub-section should be linked with section 28 (1) 'Audit Proceedings' and its proviso which takes care of and gives powers to, in exceptional circumstances/case, where definite information has come to the knowledge of the officer, who shall first confront the information with the taxpayer, and then demand the records, except in case of fraud, where the documented definite information received may be kept secret from the taxpayer with the approval of the Board.

## 16. Section 28(6) Revised Returns for Rectifications

The above sub-section requires the taxpayer to file revised returns and deposit amount short paid or evaded along with default surcharge. It has been observed under practical scenario that at times the default is spread over several periods and even years. Under this situation, it would be very cumbersome for the taxpayer to go to each period and revise the respective return. It is suggested that the taxpayer should be allowed to pay the arrears with the additional tax and penalty (if applicable) through any current return by filling the column of additional tax and penalty in the return. However, the taxpayer may be required to attach the period-wise default amount, along with voluntarily computed default surcharge and penalty(ies) as per law. Furthermore, the penalties under clauses (b) and (c) respectively be reduced to 10% and 25% respectively to encourage the taxpayer to avoid litigation which would be beneficial to the revenue as well.

## 17. Section 30(6) Revised Return

This provision places limit for filing of the revised return within one hundred and twenty days which is in conflict with section 28(6)(a through c) which allows to revise the return and pay tax due at any time before audit, during the audit, and after issuance of show-cause notice.

## 18. Section 36(1)(a) Delegation of Powers of Commissioner (Appeal)

The amendment in 2014, empowering the Board to arbitrarily empower, a deputy commissioner to exercise the powers of commissioner (Appeals) has undermine the judicial function and

weaken the judicial process. This amendment should be done away with.

## 19. Section 43 Offences and Penalties

**Serial No. 1A:** This was added through Sindh Finance Act, 2015 prescribing the range of penalty from Rs. 10,000 to Rs. 100,000 for not intimating change in particulars within fifteen days.

An absolute and arbitrary power has been vested in the exchequer which could lead to corruption or litigation. It is proposed that the maximum penalty be reduced to Rs. 25,000 without prejudice to any other action that the exchequer may take due to loss of revenue for not intimating the change in time.

**Serial No. 4:** The provision relating to the conviction should either be deleted or be made applicable only where the exchequer fails to recover the other pecuniary penalties imposed and concluded under the law. Such provision relating to conviction by the Special Judge may be misused.

**Serial No. 5:** In order to keep a check on the officer, such powers shall be exercisable with the written approval of the commissioner only.

**Serial No. 6:** It is proposed to change the wordings from 'knowingly or fraudulently' to 'knowingly and fraudulently.' This change would make the wordings in line with the wordings of 'tax fraud.'

**Serial No. 9(b) Read with Section 66(1)(c) Recovery from Bank Accounts:** Please refer comments on Section 66(1)(c).

**Serial No. 10:** The penalty should be reduced to Rs. 10,000 only for not receiving any notice or order because, the exchequer does not lose any other rights due to non-receiving. The provision relating to obstruction of tax official is already covered in other serials. Accordingly, it should be removed from here along with the proviso for conviction by a Special Judge.

**Serial No. 15:** This serial is repetitive and may be a tool in the hands of officer to impose multiple penalties for the same offence relating to non-production of records, etc. Furthermore, for other non-repetitive default, penalties should be rationalised and reduced to Rs. 25,000 only.

## 20. General on Penalties and Prosecution Read with Section 46

It is suggested, in general, that there should be a provision in the law to invoke the provisions relating to prosecution by a Special Judge only in case, the exchequer has failed to recover the tax due in accordance with the law or where the fraud has been adjudicated and proved under the fiscal law. This suggestion is primarily in the benefit of the exchequer whose objective in the matter of revenue is to enforce taxes and collect revenue as per the policy of the government and not to simply sending taxpayers behind the bars as a matter of course.

## 21. Section 46 Compounding of Offences

Since in the revenue matter, the basic idea/intention is of tax recovery rather than punishment, except as a deterrence where absolutely necessary, the discretionary power of the Board be changed to mandatory duty to provide justice across the board.



## 22. Section 47 Recovery of Tax Not Levied or Short Levied

**Sub-section 01:** As suggested in the earlier relevant sections, the limitation period be brought down to 5 to 6 years instead of exceptionally large 8 years.

**Sub-section 1B:** A proviso is required to drop the recovery of tax, if the same tax is already deposited by the payee. This is provided u/s 161(1B) of the Income Tax Ordinance, 2001. However, the defaulting withholding agent shall be responsible for the default surcharge and penalty for non-compliance of the law.

**Sub-section 47(6):** This sub-section added through Sindh Finance Act, 2016 needs to be deleted. Firstly, the term 'exceptional circumstances' is vague and could be arbitrarily used, secondly, this section would destroy a discipline in the tax machinery imposed by sub-section (3).

## 23. Section 48 Read with Section 34 and Section 2(60), Power to Summon Persons

This power is assigned to every officer including a senior auditor and an auditor of SRB and an officer of SRB with any other designation. Assigning judicial proceeding within the meaning of sections 193 and 228 of the Pakistan Penal Code, to such a junior level is not appropriate. Such powers should be restricted to the level of deputy commissioner only.

## 24. Section 49(1) Powers to Arrest

This power shall be exercisable by the commissioner or with his written approval only. The rationale behind the suggestion allow such an extreme step at the highest possible level.

## 25. Section 55(4)(iii) Revision by the Commissioner SRB

The above clause prescribe time limit of ninety days within which revision may be made on an application made by a person. The commissioner is empowered to accept application if not made within the prescribed time. It is suggested that such extension power should also be limited.

## 26. Section 58(3) Changes in the Grounds of Appeal

Filing appeal and framing grounds in an appeal is the substantive right of an appellant. This is the first stage of appeal on facts and law of the case in the revenue matter, and depriving any person from filing/amending grounds of appeal after hearing could defeat the ends of justice. The appellant should be allowed to file grounds of appeal any time on or before the final hearing or at least 10 days before the decision of appeal.

## 27. Section 58(4) Stay Period vs. Decision Period

Section 58(4) period of stay is maximum sixty days whereas time allowed to decide the case under sub-section 5 is maximum one hundred and twenty days plus sixty days. Further interesting that under sub-section 7, the relief sought is considered as given if not decided within four months (120 days).



Similar problem is also with Appeal to the Appellate Tribunal u/s 62(3)&(4).

## 28. Section 60(7), (8), (9), (10), and (11) Appt of Appellate Tribunal, Single Member

In my opinion if we carefully study sub-section 8, appointment of a single member in terms of sub-sections 9,10, and 11 would defeat the clear legal intention expressed in sub-section 8. Clear legal provisions of sub-section 8 cannot be made subservient to either notification issued under sub-section 9 or powers exercisable by the chairperson or other member under sub-sections 10 and 11. Sub-section 8 though subject to sub-section 7 (so far as powers and functions of the Tribunal), has an overriding effect over others and not vice versa. Without prejudice to the above, an appeal before a single technical member would hardly be more than an appeal before the commissioner irrespective of the limit prescribed for amount rupees five million which is itself substantial for an ordinary taxpayer.

## 29. Section 61 Appeal to the Appellate Tribunal

The provision to file appeal against the decision of commissioner u/s 59 of the Act is missing. In my view, this omission was continuing since 2014 when section 61 was amended to include appeal against orders under section 55 and section 56.

## 30. Section 62(3)&(4) Limitation Period, Decision of Appeal and Stay of Recovery

Limitation period for deciding the appeal is six months whereas, maximum period for stay of recovery is three months. What remedy is available to the appellant if the period for stay expires and the appeal is not decided.

## 31. Section 63(8), (7) Reference to High Court

The period of stay of recovery should be left at the discretion of the High Court, since no limitation for deciding the case is mentioned.

Furthermore, a similar right of pending recovery after decision be given to the taxpayer as is given to the tax authority as per proviso to sub-section 7 of section 63 of the Act.

## 32. Section 65A Ombudsman

The appointment of an Ombudsman under this law is overdue. It is further recommended that advisors to this Ombudsman should be professionally qualified and experienced tax practitioners.

## 33. Section 66(1)(c) Recovery from Bank Accounts Read with Serial No. 9(b)

This provision needs urgent attention. The banks are custodian of their customers and regulated by the State Bank of Pakistan. A similar provision in the Federal Taxation Laws have been grossly misused by the tax authorities and at times erroneous recoveries have been made.

It has been observed, that any representative from the tax department moves with a letter of 'attachment and recovery' and threatens the bank manager to immediately make a pay order or bank draft of amount to be recovered without first resorting to any efforts of recovery by contacting the taxpayer. This has resulted in undue hardship for the taxpayers in the form blocked refunds since tax authorities take their own time to refund such wrongly collected amount.

It is proposed that this provision be suitably amended to empower the tax authority to direct the bank manager to attach/freeze the accounts provisionally for a certain period of time and till the final order of the chief commissioner for recovery in this regard, after giving the opportunity to the taxpayer to pay the tax voluntarily or resort to the available legal remedy.

## 34. Section 71(5) Joint and Several Responsibility

This is an alarming provision for e-intermediaries if misused and would discourage e-intermediaries. It is suggested to change the provision to include that while making recovery of tax, the authority in the first instance must approach the registered person and then the intermediary.

## Sindh Sales Tax on Services Rules, 2011

### 35. Rule 40C(2)(b) Engagement or Providing Crew (Ship Management Services)

A proviso to the above rule is needed in the same way as given in proviso to the rule 42E(3) in respect of 'Sales Tax on Labour and Manpower Supply Services' to exclude reimbursable expenses from the value of taxable services.

### 36. Rule 42 Services Provided or Rendered by Hotels, Motels, Guest Houses, Clubs, Restaurants, Marriage Halls and Lawn, Caterers, etc.

Clause (c) of sub-rule 1 provides sales tax on prices listed in the menu card irrespective of any promotion introduced at reduced prices or free supplies being part of that promotion.

It is suggested that sales tax be charged on value received on such promotion items and not the normal value listed in the menu card. The rationale is that it is usual for the restaurant to attract more customers by introducing such promotion and it is unfair that the exchequer wants to benefit from the increased sales but do not want to suffer the cost wholly and necessarily incurred in promoting the business by the taxpayer. Furthermore, it can also be argued that across the board, promotion falls within the purview of 'trade discount' as per clause (b) of section 5(1) of the Act.

## Notifications

### 37. Notification No. SRB-3-4/10/2011, dated October 18, 2011

The above notification requires 'certain persons or class of persons to submit prescribed Tax Return on quarterly basis.' The serial No. 01 of this notification requires filing of returns by persons providing or rendering services. The matter was also clarified in circular No. 3 of 2011 dated October 19, 2011 in terms of section 24(2).

This requirement should be deleted and the necessary amendment be made in section 24(2) read with section 10 to exempt from the requirement of the registration. The rationale is in line with other revenue laws where the person wholly exempted from tax liability is not bothered till such time he is brought to tax net.

### 38. Notification No. SRB-3-4/5/2013, dated June 17, 2013

The above notification imposes fee or charges for providing various facilities which also includes 'Change in User ID or password of the taxpayer or e-intermediary of the taxpayer.' This service should be free. The rationale is that it is the right of the user to change the user ID and password anytime is a universal and fundamental right. Rather he should be advised to do so both in the interest of the taxpayer and exchequer. Furthermore, changing user ID or password cost nothing to the exchequer and is done electronically.

### 39. Notification No. SRB-3-4/7/2013, dated June 18, 2013 (Exemptions from Sales Tax)

An across the board exemption be given via this notification to all services exported. The rationale is that firstly, tax cannot be recovered from foreigners and the tax would be cost of service of the service provider rather than an indirect tax the burden of which must be passed on the ultimate user. Secondly, the export brings in foreign exchange to our country and all exports are zero rated under the Sales Tax Act, 1990.

### 40. Notification No. SRB-3-4/8/2013, dated July 1, 2013 (Exemptions from Sales Tax)

Services provided by the management consultants are at statutory rate of 13%. This service should also be at the reduced rate. The rationalisation is the uniform rate for all types of consultants. This would simplify the tax structure and promote uniform treatment.

# China's Slow-Down and Its Impressive Recovery

## Noteworthy Points for Pakistan and Middle East

by Syed Raza Balkhi



**T**he Chinese stock market panic in the summer of 2015 saw USD 5 trillion wiped out.

### The Scenario & Symptoms

High debt and excess capacity were among the symptoms leading up to this wipe out. The effects of massive spending and investment in 2008 and 2009 after the global financial crisis persisted in the economy. The government policy of easy money, along with a high level of investment, continued intensively into 2015. The market was flush with liquidity.

Foreign companies bought-out by Chinese investors were re-listed in China's stock markets at higher evaluations. This gave a sense of confidence to investors in the home market and veiled the market volatility.

Growth in 2015 was estimated at 7% in China. In comparison, the 45% investment rate proved unsustainable for this growth rate (Financial Times).

Low oil prices also contributed to the slow-down since many of the markets China used to export to were now looking to reduce their import bills.

### Impacts on Various Sectors

#### Real Estate

Corporate and private sector debt was high, which until 2015 was rising rapidly. Over-capacity was apparent. Overtime, large, non-performing loans accumulated. Uneconomic and unprofitable government enterprises, such as steel mills and mines, thrived, adding stock piles and spill over.

The real estate sector together with its connected industries – steel, cement, furniture and glass provides about 25%

of China's GDP. Housing prices plunged due to oversupply and lowering demand. The developers' and builders' borrowings, being overleveraged with low capital and high loans, began turning into non-performing loans.

#### Corn & Cotton

The fall in the agricultural commodity prices and stockpiling are demonstrated by the corn and cotton situation in China.

China has in excess of one year's corn stocks at the end of 2015-2016 crop cycle. Credit was made abundantly available to the growers. Overproduction resulted in an excess of about 113 million tons, which is over half of the world's inventory.

Compounding this, was the government set corn prices at 50% above market rates, which was hindering sales. The government is now changing the 'stockpiling' system to 'subsidies' and the authorities will carefully adjust the set minimum prices. This way, growers will still find it lucrative to plant corn, and there is no threat to food security.

China's cotton stocks were building up because the prices at the state auction were set too high. The other reason is the government's bulk buying from Bingtuan – the agricultural colonies of paramilitary settlers in various parts of China. The country's cotton stock pile is estimated at 60% of global supplies.

Agriculture contributes 10% of China's GDP, and manufacturing contributes 59%. Policies under these huge sectors are being revised.

At the same time, the regulators were determined to support prices of listed companies. Prices, which appeared artificially high.

The pro-government and pro-market factions tend to have severe differences



of opinion towards the capital market. Under government policy, officials, Shanghai markets and Shenzhen markets estimated that Chinese stocks will rise – overconfidently so. The market temporarily peaked in June 2015 but soon collapsed in panic selling. The turmoil was only prolonged by severe political interventions. Circuit breakers were introduced – banning major shareholders from selling and rescue buying by state funds.

The burst hurt millions of Chinese and culminated in the termination of China's top securities regulator, Xiao Gang. The world received these shock waves in awe.

The Shanghai Composite Index declined from its 2015 peak of 5178 to 2860. According to China's largest brokerage, Citic Securities, the Chinese stock market crumbled more than 40% in 2015 which is where the USD 5 trillion plus was wiped out.

## Have no Misgivings – China is a Powerhouse

While global concerns are valid about China's slow-down, there should be no misgivings about the underlying and inherent strength of China's economy.

China, the second largest economy in the world, is very diverse and resilient. China accounts for one-tenth of the world's trade.

China is a powerhouse of savings. Its gross annual savings in 2015 were USD 5.2 trillion. In 2014, the savings were USD 3.4 trillion (Financial Times, March 2016). As a measure of size, Mexico's gross annual savings in 2013 were USD 264 billion (Sydney Morning Herald).

China's total savings now stand at USD 21 trillion. China's money supply in the economy was USD 15.3 trillion in late 2015. Its foreign currency reserves are at a huge USD 3.2 trillion. China's total gross credit in the economy in 2014 was USD 30 trillion.

China's capital outflows amount to USD 800 billion a year. In addition to paying for imports, it mostly goes for acquisitions and in unwinding of massive 'Carry Trade.'

As an indicator of China's financial might, chief of J.P. Morgan, Jamie Dimon, said in an interview in March 2016 (The National

Daily, UAE) that the Industrial and Commercial bank of China earns nearly twice as much as J.P. Morgan.

Geologists have confirmed that reserves of 158 minerals put China third in the world total mineral reserves. Iron, copper, aluminium, coal, tin, lead, zinc and mercury are major among them. The chief of Dallas federal reserve said although China may have been a driver of market volatility, it is not expected to be in a meltdown (February 2016, Financial Times London).

## Growing Middle Class & Ready Labour

Labour is comparatively cheap, and with a population of 1.357 billion, the country always provides millions for active Chinese for China's progress.

The recent policy change to 'two babies' family, instead of one, shows some attention to evolving demographic planning.

China has the world's fastest growing middle-class (Financial Times, March 30, 2016). Experts state that this intelligent human bracket is narrowing down the technological gap between China and advanced Western countries. Having more money to buy, this burgeoning middle class also helps to boost demand in the economy.

## Government Agility

China's massive economy is largely under government control and capable of changing the policy when the cycle turns.

Chinese president, Xi Jinping, recently declared two priorities for recovery:

- Less emphasis on growth
- Greater emphasis on structural reform

Chinese premier, Li Keqiang, at the annual meeting of parliament in 2016, confidently announced that there would be no hard landing for the Chinese economy and the country has both the means and tools to manage the slowing economy. For this, he outlined two requirements:

- China continues to reform
- China opens up its economy

Structural reform will change the main guidelines and parameters of both economy and society.

## Addressing the Slowdown: A Great Transition is Evolving

What started as a slowdown has turned into a transformation. Legal, social, and economic policies are undergoing a transformation to offer social stability. And hence, reforms are welcome in the population.

## Structural Reform

China is carefully addressing structural reforms. Red tape is being strictly cut. Currency control was eased. Unnecessary government intervention is being cut out which reduces economic productivity. A more level playing field is being created.

Structural reforms are changing the guidelines in the manufacturing sector, society and the government environment. Industrial processes have been eased significantly by the government, altering the paths of flow of authority, of responsibility, of information and of capital flow in government and private institutions.

What will the structural reforms entail? Innovation-driven development strategy, urbanisation, agricultural modernisation, IT application, and reform in the financial sector according to market principles and rule of law (The World Economic League Table of the Center of Economics Business and Research [CEBR], 2015). Risk management practice is enhanced to ensure that no regional or systemic financial risk will occur. In addition, no massive spending or easy credit policy is envisaged. The massive lingering overcapacity will be stopped in heavy industries and agriculture. Debt in coal and steel structures is estimated at Rmb 8 trillion (USD 1.23 trillion) by the National Bureau of Statistics. Unprofitable steel mills and unproductive mines will be shutdown. Through this period, the government is committed to avoid mass layoffs through innovative and compensating means.

## Solutions for Non-Performing Loans

Chinese Banking Regulatory Commission has recommended that for banks' huge non-performing loans debt-for-equity SWAP should be done. These loans stand in the banks books at Rmb 1.27 trillion (USD 194 billion). While it will reduce leverage in indebted companies,

it is not as cosmetic as it appears. Such SWAPs are operative in China for over a decade. In the new scheme, asset management companies are created by the government which examine and re-sell or manage such loans.

With its worldwide influence, China understands that it needs to communicate better with the world. As such, recent indications on the opening up of the economy are peeking through. In turn, it is in global interest to understand and react to the changing economic policy of China. This is because the 'global financial integration' of China with its wide-reaching impacts and challenges may not be far away.

China has started recovering.

China's Purchasing Managers' Index (PMI) which shows growth in manufacturing rose strongly to 51.9, signaling the end of contraction.

Caixin Market PMI being China's Composite Indicator of activity, has indicated that output, total new order, and output prices, are returning to growth.

Early signs of spring can be seen from first quarter of the PMI. Meanwhile, Italy, Netherlands, Austria and Ireland too are showing growth – as well as Indonesia, after 17 months of contraction. The Morgan Stanley Capital International (MSCI) Emerging Markets Index has gained 9.8%.

According to the Institute of International Finance (IIF), the overseas investors have put USD 37 billion into Emerging Market bonds and stocks in March 2016.

The slowdown has turned into a driving force for reforms and a great transition to a greater China.

## Learnings for the Rest of Us

China considers its people its most important asset – as evidenced by the fact that China has the fastest growth of middle-class in the world. This is noteworthy for the Middle East, and indeed other areas, including Pakistan. It was this hardworking, educated middle-class that narrowed the technology gap which existed between China and the western world, among other measures. Excellent education, solid training and



solid behavioural and work ethics were ingrained in the people in every town and from a very young age.

Thus China's 1.38 billion people in 2017 are an incredible asset. In the structural reforms now being carried out under the 'transition,' China has taken care of this asset. The declared rule is that there should be no mass layoffs. Also, when the government-set corn prices were reduced, the growers were compensated with subsidies.

The people know that they are taken care of – but not pampered. This is key, they know they must produce results in their own fields. Interestingly, they lead simple lives.

The oil producing Middle Eastern countries too are diversifying their economies, trying to emphasise work ethics, and are not exceedingly worried about low oil prices.

Innovation, the product of excellent education, training, hardwork and research, is being talked about nearly every other day in the Middle East. The realisation has come. These four imperatives towards it are underway by both the private and public sectors.

The people in the Middle East, particularly in oil producing countries, are rapidly realising that the real drivers

of growth are labour, access to capital, strong work ethics, innovation, rule of law and peace. While some of these elements are already available, for example, rule of law, capital and peace, others are being slowly addressed.

Savings and their proper investment in industrial and agricultural sectors spur growth. China is again an inspiring example of savings to the world.

Oil producing Middle Eastern countries will enhance research facilities and efforts to explore agricultural viabilities in certain parts of their countries via mechanisms such as rain water harvesting as in other countries.

The constant search to find more minerals is being further enhanced. Such continued efforts in China yielded confirmed reserves of 158 minerals.

Once the 'drivers of growth' are tackled, the Middle Eastern people can spur growth, build great ships (which their forefathers did at their time), build industrial complexes and bring productivity from untapped agricultural and industrial resources. The oil producing countries of the Middle East are well positioned for just this.

Thomas Edison's advice remains applicable today too: "Genius is 1% inspiration and 99% perspiration."



by Khawar Ali

## Introduction

If we look at the economic growth and development in historical perspective, in particular the industrial development, we see rapid growth is caused by innovation(s). For example, invention of the wheel started development in the ancient past. From ancient history to today, the innovative nations have witnessed great successes from innovations in the form of strong savings and growth in economies. For innovation, research and development (R&D) is mandatory. R&D usually leads to innovations. For example, invention of printing press, telephone and mobile, radio and television, computer and software, and internet and web have created revolutions and many new industries were established as well. And the nations with most inventions achieved unprecedented growth and their economies became strong like the United States, Germany, Japan, China, South Korea, etc.

It is evident that innovation drives economic growth. But we need to understand what fuels innovations. It is the R&D activities that provide opportunities to the scientists and researchers to develop/discover new products, technologies, techniques and knowledge. These new developments/discoveries cause savings in the form of increased output with the same or fewer resources. The development of new products introduces new industries. The ultimate savings caused by new technologies, techniques and knowledge and establishment of new industries (resulting from invention of new products) adds growth to the national productivity and income; hence, an increase in the gross domestic product (GDP) growth rate.

Recently, Dr. Begum Erdil Sahin\* carried out a study on the relation between R&D and economic growth. She selected a sample of

15 organisations from Economic Cooperation and Development Countries (OECD). The countries included in the analysis were Russia, Finland, France, Germany, Spain, USA, Italy, Japan, Netherlands, Austria, Poland, United Kingdom, Turkey, Canada and Portugal. She observed that 1% increase in R&D expenditure could grow the economy by 0.61%. It means that countries that invest more in the R&D have higher economic growth.

\*Details on her research report are available at the following url.  
[http://www.ekonomiyaklasim.org/eyc2015/userfiles/downloads/\\_Paper%20207.pdf](http://www.ekonomiyaklasim.org/eyc2015/userfiles/downloads/_Paper%20207.pdf).

Robert Solow who was awarded the Nobel Prize Laureate in Economics in 1987, pointed out in his seminal 1957 paper, **Technical Change and the Aggregate Production Function** that innovation plays in driving economic growth.

The countries that have realised the importance of the R&D have started huge investments in this area. These investments in R&D have increased new products, technologies, techniques and knowledge. This can be observed from the number of applications filed for Intellectual Property rights. The number of applications for registration of Intellectual Property rights from countries with higher spending in R&D are much more than the countries with lesser spending in R&D.

**In absolute terms:** Currently, USA is the country with most R&D spending (US\$ 485.39 billions), China is second with R&D US\$ 343.78 billions.

**In relative terms:** The average spending of top ten countries is 3.22% of gross domestic product (GDP) with highest (4.15%)



spending by Israel which seconded by South Korea with 3.60% spending.

A list of the countries with most R&D spending are as follows (ranked in descending order – value):

Rank	Country Name	GDP (US \$ Billions)	R&D Expense (US \$ Billions)	R&D as Percentage of GDP	Year
1	United States	17,460	485.39	2.78%	2014
2	China	17,630	343.78	1.95%	2014
3	Japan	4,807	163.44	3.40%	2014
4	Germany	3,621	103.20	2.85%	2014
5	South Korea	1,786	64.30	3.60%	2014
6	India	7,277	61.85	0.85%	2014
7	France	2,587	58.21	2.25%	2014
8	Russia	3,568	53.52	1.50%	2014
9	United Kingdom	2,435	44.07	1.81%	2014
10	Brazil	3,073	37.18	1.21%	2014
11	Canada	1,579	30.00	1.90%	2014
12	Australia	1,100	24.75	2.25%	2014
13	Italy	2,066	24.79	1.20%	2014
14	Taiwan	1,022	24.02	2.35%	2014
15	Spain	1,534	19.18	1.25%	2014
16	Netherlands	798	16.60	2.08%	2014
17	Sweden	434	14.76	3.40%	2014
18	Turkey	1,512	13.30	0.88%	2014
19	Switzerland	445	12.90	2.90%	2014
20	Singapore	445	11.80	2.65%	2014
21	Iran	1,284	10.79	0.84%	2014
22	Israel	268	11.13	4.15%	2014
23	Austria	387	10.64	2.75%	2014
24	Belgium	467	9.53	2.04%	2014
25	Mexico	2,143	9.64	0.45%	2014
26	Qatar	323	8.73	2.70%	2014
27	Poland	941	7.53	0.80%	2014
28	Malaysia	747	5.97	0.80%	2014
29	Finland	222	7.75	3.50%	2014
30	Denmark	249	7.21	2.90%	2014
31	Pakistan	884	6.19	0.70%	2014

Source: [https://www.iriweb.org/sites/default/files/2016GlobalR&DFundingForecast\\_2.pdf](https://www.iriweb.org/sites/default/files/2016GlobalR&DFundingForecast_2.pdf)

In March 2000, European Union heads of state and government launched Lisbon Strategy to make Europe "the most competitive and dynamic knowledge-based economy in the world." The EU Lisbon Strategy has given much importance to R&D and has set a goal of an average expenditure on R&D at 3% of gross domestic product (GDP).

In contrast to the above, in Pakistan, neither government nor private sector has realised the importance of R&D for growth, development and prosperity. Accordingly, spending on R&D is very small in Pakistan by both government and private sector. The following table reflects the spending on R&D in Pakistan:

Year	2000	2001	2002	2005	2007	2009	2011	2013	2014	2015	2016
% of GDP	0.128	0.170	0.220	0.440	0.633	0.448	0.329	0.292	0.70	0.75	0.75

Source: IRI, R&D Magazine, International Monetary Fund, World Bank, CIA Fact Book, OECD

In Pakistan, R&D has been carried out mainly in defence. Health, education, agriculture, business development, manufacturing technologies and excellence, international market development and information technology remained low priority areas for the governments of Pakistan.

To eradicate poverty and to achieve sustained development in all key areas, both government and private sector should work together and give priority to the R&D and due investments should be made in this area. The important areas that need high level R&D are: education; justice; health; business development; manufacturing technologies and excellence; international market development; information technology; agriculture; and defence.

The increased spending in R&D in the above areas will have many positive effects on the industry, economy and government. These positive effects will have a wider impact and not only be restricted to some of the following area:

- Better basic, technical and professional education will increase competence of the human resources.
- Better and fast justice will be available to public.
- Overall health condition of public will get better.
- New business and industries will be established.
- New manufacturing technologies will increase competence of our industry.
- Increase in per capita income (PPI) and gross domestic product (GDP).
- Poverty alleviation may become practical.

## Potential of Research & Development in Pakistan

**Case Study:** To elaborate the potential of R&D in Pakistan, let us consider a case study. Sialkot is well recognised for manufacturing and export of sports goods, particularly footballs.

At the start of this century (twenty first), China developed new manufacturing technique of footballs resulting in cost reduction and increased worker efficiency. Resultantly, manufacturers from China captured most of the international football markets at decreased sales prices. Football manufacturing industry of Sialkot suffered greatly because of old manufacturing techniques. Many companies switched businesses and many became bankrupt.

One company, (Forward Sports Pvt. Limited), in Sialkot had a strong R&D department, carried on successful workings and developed many new things including materials, manufacturing techniques and designs. Resultantly, this company acquired most of the market share. Due to increased market share/turnover, the company has become the largest manufacturer of footballs in the world. The Federation of Pakistan Chambers of Commerce & Industry (FPCCI) has been awarding this company with Best Export Performance Award since nine consecutive years. The strength of R&D of this company had played a vital role for its sustained development. The company continues to further invest in the R&D for further inventions and development of new techniques, methodologies and designs for sustained development in the future.

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# Cryptocurrency, Mining, Blockchains: What's it All About What's its Potential

by Faisal Khan

**B**y now, cryptocurrency has already turned into a global phenomenon of considerable significance. In fact, it continues to evolve with every new challenge on its way, claiming more and more space and scope in today's business world.

## What Exactly is Cryptocurrency?

In its essence, it is a digitised medium of exchange, based on a complex and globally spanned peer-to-peer network whereby a whole range of functions including currency issuance, verification procedures and transaction processing are carried out collectively by the whole network rather than a centralised governing body or authority.

## Some Inherent Features of Cryptocurrency

By the end of 2016, around 700 cryptocurrencies were known to exist in market, with top 100 of them having a total market cap of over US \$24 billion with Bitcoin leading the pack with over US \$16 billion. Isn't it quite phenomenal? In fact, it is, especially because of certain inherent features of cryptocurrencies that make them such a viable option against the existing economic norms. Some of the most important ones include:

**Decentralised Model:** Spanned over millions and millions of systems all across the globe, it is a totally decentralised model, which has turned into one of the landmarks of the distributed



ledger phenomenon. This hinders external interference and exploitation of cryptocurrencies' realm.

**Matchless Speed:** In terms of transaction processing speed, cryptocurrency supersedes the fiat money transfer via conventional banking system by a huge margin. In cryptocurrency, transactions are updated almost instantaneously across the whole network.

**Unparalleled Privacy Protection:** Since cryptocurrency model is based on cryptographic keys, requiring both private and public keys to carry out a transaction, the likelihood of a person tempering both to exploit a transaction, are almost equal to none. This ensures unparalleled privacy protection in a cryptocurrency based system.

## Evolution of Cryptocurrencies – A Brief Chronology

### Chaum's Contribution – The Foundation Stone of Contemporary Digital Currencies

Most experts believe that the buzz about currently existing forms of cryptocurrencies started back in 1982 when Dr. David Chaum published his paper titled, 'Untraceable Electronic Mail, Return Addresses, and Digital Pseudonyms,' where he gave the idea of using cryptography to secure online communication or exchange of data between any two entities. Let's have a look at the actual excerpt from his paper:

"A technique based on public key cryptography is presented that allows an electronic mail system to hide who a participant communicates with as well as the content of the communication – in spite of an unsecured underlying telecommunication system. The technique does not require a universally trusted authority." (Chaum, 1982)

The key elements of his publication, setting the foundation of cryptocurrencies can be summarised as:

- Use of public key cryptography.
- Concealment of the content as well as the participants in communication among different entities.
- Non-reliance on a universally trusted authority to carry out any such activity.

In fact, these are the same basic underlying principles found in cryptocurrencies in existence today. That's why Chaum's work is regarded as the foundation stone of contemporary digital currencies.

### e-Gold: The Next Step

Inception of 'e-gold' in 1996, brainchild of Doug Jackson, the founder and director of the online payment service e-Gold is seen as the next major landmark in evolution of cryptocurrencies. The distinguishing feature of e-gold was that it was backed by actual gold and a number of special cryptocurrency exchanges were set up to facilitate and encourage people to promote and use it.

### Bitcoin: The True Game Changer

However, what truly turned the concept of cryptocurrency into one of the biggest internet phenomena is a paper titled, 'Bitcoin: A Peer-to-Peer Electronic Cash System,' by Satoshi Nakamoto published in 2008. The character of Satoshi Nakamoto has been shrouded in deep mystery, with no authentic record or proof of who actually this person is or was. Some also believe it's a pseudonym used to hide the identities of not a single person, but a whole team. Mysteries and controversies aside, the fact

remains that prior to Bitcoin, none of the earlier versions of cryptocurrencies could truly make it to a global scale.

By January 2009, the first version of Bitcoin was introduced (Bitcoin v0.1) via public announcement, with its source code made public, turning it into an open source project. Almost everyone believes that this is one of the biggest reasons behind the true success and longevity of Bitcoin compared to its predecessors.

For one reason or the other, it was able to grab people's attention and its price rose much quickly than anyone ever anticipated, and by February 9, 2011, it stood equal to US \$1. As of early 2017, Bitcoin market cap has escalated to a staggering US \$ 18 billion and currently a bitcoin is being traded at US \$1230.

Being an open source, Bitcoin also paved way for others to come up with their own variations of cryptocurrency, and now there are around 700 different types of cryptocurrencies being used worldwide, collectively referred to as alternative coins or 'altcoins.' While most of them fail to make some real impact, 12/13 are faring quite well and many more progressive versions continue to surface, such as Dogecoin, Litecoin, Goldtime, Abundium, Hedgenickel to name a few.

## Cryptocurrency Mining, Blockchain and other Important Concepts

### Blockchain Mining

With all the buzz and hype around cryptocurrency mining, the concept can be simply explained as the ability to make limited entries in a particular database, which no one can change unless specific conditions are fulfilled. Unbelievably simple, but this is the true essence of the concept of blockchain mining.

Perhaps relating this concept to that of your banking account can help you understand it better. Isn't that just like the entries of a database, which can only be altered under specific conditions? In fact, all that is to a banking transaction is a verified and authenticated entry in a specific database of accounts.

### Miners

The important question, however, is who verifies and authenticates such entries in the absence of a centralised regulatory authority in a cryptocurrency mining network? Well, the process responsible for this is termed as 'mining,' and individuals carrying out the process are referred as the 'miners.'

### Transaction

Bitcoin is the most famous and reliable cryptocurrency so far and is also the pioneer in cryptocurrencies. Using it as an example, we will try to explain a transaction. In a network of a cryptocurrency, a file saying, 'Randy gives X Bitcoins to Nancy' is what a transaction would look like. It would only be deemed authentic if it is signed with Randy's private key, comprised of basic cryptography. Once signed, this transaction would be broadcasted through whole network and once it is approved by majority of the systems, the entire chain of transactions would be updated, passed onto all of the systems on the internet.

### Confirmation

This is how the whole network is updated almost instantaneously about a transaction, but it gets confirmation only after a very short period of time and it is this confirmation that's the most critical part of the whole transaction mechanism through a cryptocurrency network.



## Blockchain

As long as a transaction on a cryptocurrency network remains unconfirmed, there's a probability of it getting forged, but once it's confirmed, it's set in stone, becoming a permanent part of an immutable record constituted by countless other transactions, also referred commonly as a 'blockchain.'

## Miners' Privilege

Only miners are privileged to confirm transactions in a cryptocurrency network. It is their responsibility to make systems available for the software to process transactions, authenticate their legitimacy and post them throughout the network. Once a miner confirms a transaction, every node (peer in the network) is obligated to update its record of transactions, which makes it a part of the blockchain.

## Miner's Reward – The Legit Creation of Cryptocurrency Units

Since a cryptocurrency network is principally a decentralised one, where simply anyone can be a miner, there needs to be a mechanism that can prevent someone from exploiting it.

Satoshi Nakamoto, founder of this evolved form of cryptocurrency networks, addressed this issue by making it mandatory for a person to make available some capacity of their computer/system to be qualified as a miner. So, the miners have to find a hash – the solution of a complex cryptographic function – which enables them to post a new block of transactions with its predecessor, also referred as the Proof-of-Work.

This is what makes 'confirmation' and 'miners' so critically important for the survival and growth of a cryptocurrency network. Amongst the pool of miners who compete to post a block, the one who succeeds, is allowed to post a block he can add to the blockchain using that 'hash' and the system is rewarded with a certain number of coins.

In fact, this is the only legitimate way of producing new coins in a cryptocurrency network, rewarding the successful miner with a specific number of Bitcoins, thus adding into the coin-base of the network.

## Is Cryptocurrency an End or a Beginning? The Potential of Blockchains

Since its inception in 2009, Bitcoin has been able to capture the attention of millions across the world, but a huge number of people have now started looking beyond cryptocurrency, into the blockchains, the technology on which Bitcoin phenomenon is primarily based.

The concept of blockchain pertains to storing information (that's transactions in case of Bitcoin) in a distributed manner, shared among many parties, thus bypassing the need for a mutually trusted central server. In a blockchain network, updating the stored information is possible only with the consent of majority of the network's population. Once the information is updated, it can never be erased, giving an immutable, verifiable database of 'digital events.'

It's great to see an increased number of people recognising, exploring and exploiting the true potential of Blockchain technology, which is capable of supporting and enhancing almost any type of record-keeping. Some promising avenues for blockchain technology other than cryptocurrency mining include:

## Smartcard Payments

The commercial production of contactless payment cards, capable of processing transactions utilising blockchain, is expected to commence by the end of 2017. Recently, a successful trial was completed where blockchain technology was incorporated for processing payments for cupcakes in front of hundreds of Metro Bank customers. The contactless smartcard used in the process was designed by a Fintech company known as SETL, communicating with identity records along with other key details with the help of a Smart Identity System developed by Deloitte, an auditing firm. It is firmly believed that billions of transactions can be carried out through this technology on a daily basis, offering merchants a powerful, reliable and cheaper alternative to services being provided by conventional card providers.

## Online Voting

The concept of online voting is not totally alien for most of the western world. However, many are still skeptical of its security, but thanks to the transparent and immutable nature of blockchain, experts believe that time will overcome such fears. In fact, the Liberal Alliance, a Danish political party, has already employed blockchain based online voting in spring 2014 for an internal election. US, Norway and Spain are among some of the countries interested in using blockchain based online voting systems.

## Cloud Storage

With decentralisation as one of its inherent features, blockchain is seen as a concept having tremendous utility for cloud storage systems of future. It dispenses data across multiple servers, adding to its safety and security even in case of a glitch or attack on one or more of those servers. That's why experts are considering it as a strong and natural contender for futuristic cloud storage designs.

## Internet of Things (IoT)

Last but not the least, is the Internet of Things (IoT), as it is known otherwise. It is turning into a fast growing global industry expected to transform the way we live, linking everything from homes to factories to whole cities, making them smarter and efficient. In fact, Gartner, American research and advisory firm claims that by 2020 more than 20 billion things around the globe will be connected together, nurturing a market worth more than US \$3 trillion. It's no less than impossible with current infrastructural and architectural setups to connect on such a large scale, securing and managing such a colossal global network. However, the intrinsic features of blockchain technology make it the best fit to let IoT do the unimaginable.

Though cryptocurrencies and blockchains are still at an infancy stage, they are believed to have a tremendous potential in addressing not only the shortcomings of conventionally existing system of money, but a whole range of futuristic solutions.

There is a tremendous interest in cryptocurrencies all across the world, with Bitcoin leading the way. Currently there are over 1000 ATM's in over 55 countries for bitcoins transactions and brands like GAP, Expedia.com, Sears, Tesla Motors, Subway accepting bitcoins in exchange for their products.

Cryptocurrencies and Blockchain phenomenon are poised to disrupt the way commerce, especially e-commerce, is being done and accounting community needs to catch up fast on this new way of doing business.

## Special Feature

# Competitiveness of Small and Medium Practices

by Naeem Akhtar Sheikh

Small and Medium Practices (SMPs) have been marginalised in the new millennium. There has been a gradual decrease in the size, market share and importance of SMPs. The world has been taken over by the Big Four phenomena, all the challenging and large assurance engagements have gradually accumulated with them and whatever is left, has been taken over by the mid-tier large size firms. The SMPs have been left with crumbs to sustain and survive. Everybody has contributed to this misery including the regulators, market forces and even the State. And the story does not end here, as they still have to face the wrath of the regulator for being responsible for low quality and lack of quality control, without any help or support from them. These are the usual list of complaints that we hear from SMPs all the time, especially in the context of South East Asia.

**The SMPs have not been able to adjust and align themselves to the rapidly changing landscape.**

There has been a change in the market place in the last twenty years and businesses have transformed completely. Trade has evolved from local to national and from national to international. The demands of businesses have diversified and become more complicated. The compliance and regulatory environment has become tougher and exhaustive. The ownership of enterprise is no more concentrated in few hands and has expanded exponential to numerous owners across the borders. All this has led to creation of more recognised brands acceptable to different divergent group of stakeholders and larger firms to cater to the diversified and demanding portfolio of services. The SMPs have not been able to adjust and align themselves to this rapidly changing landscape.

This change in dynamics has resulted in a shift in the role of SMPs and the profile of their clients. Audit and assurance services,

**SMEs are the engine of growth for any economy, whether developing or developed. These entities represent 85 to 99.9 percent of the business population, account for more than half of the private sector value addition, and two-third of the employment.**

especially the listed and public interest companies, have become a no go area for them. Their focus in assurances is restricted to Small and Medium Enterprise (SME) clients where utility of audit for the owner is limited and more focused on compliances or lender requirements. This has also affected their ability to charge reasonable fee and provide quality audit. The rest of the traditional areas such as tax compliance and other corporate services are also restricted to SME enterprise. The SMPs have lost their competitiveness and need a fresh look at the current market dynamics and strategy to evolve in the new world order.

Before we move any further, it is important to define SMPs and how they differ from other practices. SMPs are knowledge intensive service firms that use the knowledge of its partners and staff to provide services to their clients. A typical SMP will have the following characteristics:

- Deal mostly with SME clients
- Employ small number of professional staff
- Do not audit listed or economically significant clients
- Most of the work is provision of non-assurance services

**The SMPs have been left with crumbs to sustain and survive. Everybody has contributed to this misery including the regulators, market forces and even the State.**





**SMPs need to evolve and make a conscious shift of their role from a typical accountant to a trusted advisor, confidant, analyst and facilitator.**

SMPs, unlike Big Four or mid-tier large size firms, face great difficulty in hiring, training and retaining quality staff and therefore, are mostly owner driven. However, being lean have a low cost of operations, great flexibility to change, adaptability to new ideas and can take economic decisions more quickly and independently.

SMEs are the engine of growth for any economy, whether developing or developed. These entities represent 85 to 99.9 percent of the business population, account for more than half of the private sector value addition, and two-third of the employment. Most of them are owner driven and have very limited professional support available within the enterprise. The absence of in-house expertise increases the need for support and services from external sources. These service are required in the areas of human resource management, access to capital, international trade, business process outsourcing, marketing, corporate governance, enterprise risk assessment, etc.

SMEs traditionally look towards SMPs to cater to their needs for professional services, and are ideally positioned to engage as partners. However, currently this relationship is mostly limited to compliance reporting and traditional accounting work. SMPs need to evolve and make a conscious shift of their role from a typical accountant to a trusted advisor, confident analyst and facilitator. SMPs lack the capacity, knowledge pool and depth to support and serve SMEs enterprise in the non-traditional areas. They need to diversify their portfolio of services and develop expertise to cater to the demands of this vibrant section of economy. SMPs need to build specialised knowledge base in the key areas, keeping in view the demand and supply side in their particular markets. SMPs can also enter into network arrangements (loose alliances) to expand their range of services and for functional and geographical diversification. Networks also offer visibility to clients by serving as a source of client referral.

If one has to quote the next big thing on the horizon, which each SMP should look forward to, it is the onset of cloud computing. This technology brings in opportunity of providing your client with a virtual CFO. It is the complete business process outsourcing of the accounts department and all related compliances. This will make available to a SME a high quality finance service at a very reasonable cost and would also provide them a virtual access to all accounting ledgers and data on real time basis required for smooth operations of the business. This will also free them of all regulatory pressure and enable them to focus on more business operations and development. This area alone has the potential of providing exponential growth to the SMP for next one decade.

The Professional Accountancy Organisations (PAO) can also play a vital role in helping the SMPs develop capacity and ability to

cater more effectively to the SMEs market in the non-traditional areas. They can develop more holistic approach to address the issues of SMPs, which can include development of guidelines for work in non-traditional areas, development of tool kits addressing the delivery of new services and collaborating with other organisations and agencies to develop joint programs that address the need of the profession. The Institute of Chartered Accountant of Pakistan (ICAP) carried out such an exercise by signing an MoU with IFC in 2014 (International Finance Company, a subsidiary of World Bank) to cooperate on delivering corporate governance training program to ICAP's SMPs using IFC SMEs Governance Training Material. The objective of the training was to provide training to SMPs to build their capacity to provide services to their clients. The training covered the following modules:

- Introduction to corporate governance
- Building an effective and efficient board
- Management control environment
- Disclosure and transparency
- Family governance and succession planning
- Shareholding practices

The PAO can also facilitate and encourage the process of networking amongst the local firms by creating enabling environment for the same. Therefore, the leadership, strategic direction and facilitation from PAO is imperative for nurturing this shift towards more confident and sustainable SMPs.

**The SMPs normally lack the marketing strategy and capacity to effectively sell their expertise.**

The most important ingredient to achieve this competitiveness is by creating demand for these services. The SMPs normally lack the marketing strategy and capacity to effectively sell their expertise. This can be achieved by giving some serious thought and time to this important area. There is a great need for creating awareness about the intent and capacity of SMPs for delivery of these services. The work does not come to offices automatically and cannot be generated at office premises. Visit to client and listening to their issues and problems generates work. This awareness can also be achieved through various other means, such as by holding workshops and seminars for clients or by publications. Hence, a more dedicated marketing approach is required to achieve these objectives.

It can be safely concluded that a collaborative effort by all the stakeholders can bring more competitiveness to SMPs, thus making them more robust and sustainable and also contributing towards the ultimate goals of creating employment and economic growth.

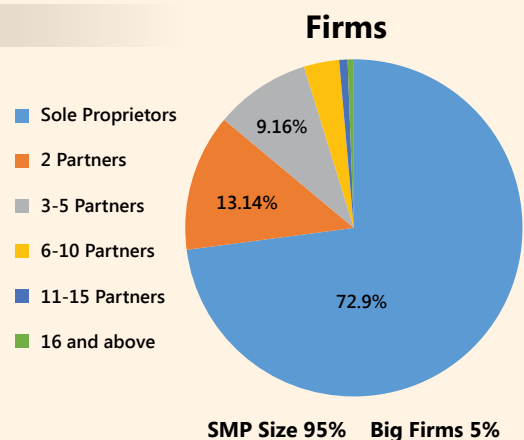
References: The Role of SMPs in providing Business Support to SMEs – New Evidence IFAC; Growing the Global Economy through SMEs – Edinburg Group

# Special Feature Helping SMPs Meet Challenges and Seize Opportunities

by Naeem Akhtar Sheikh

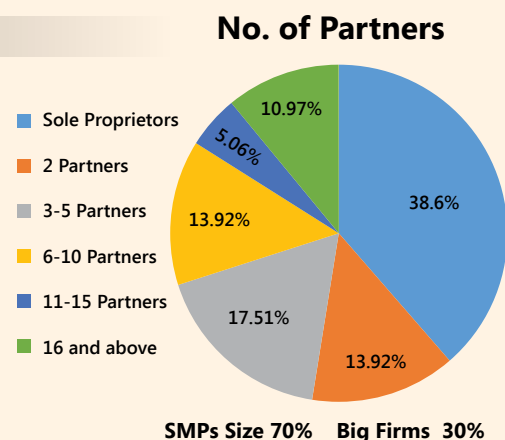
## Interesting Facts – Analysis of Practicing Firms

Firm Size	No. of Firms
Sole Proprietors	366
2 Partners	66
3 – 5 Partners	46
6 – 10 Partners	17
11 – 15 Partners	4
16 and above	3
<b>TOTAL</b>	<b>502</b>



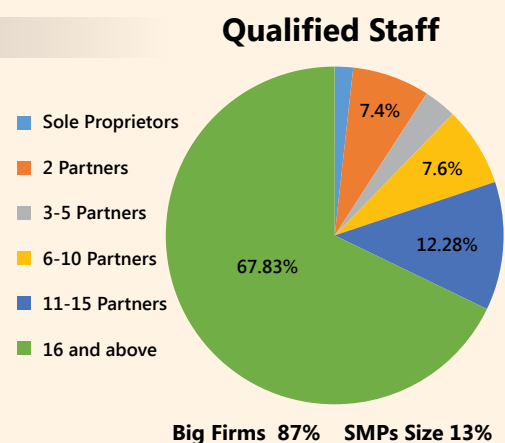
### Interesting Facts – Analysis of Size by Partners

Firm Size	No. of Partners
Sole Proprietors	366
2 Partners	132
3 – 5 Partners	166
6 – 10 Partners	132
11 – 15 Partners	48
16 and above	104
<b>TOTAL</b>	<b>948</b>



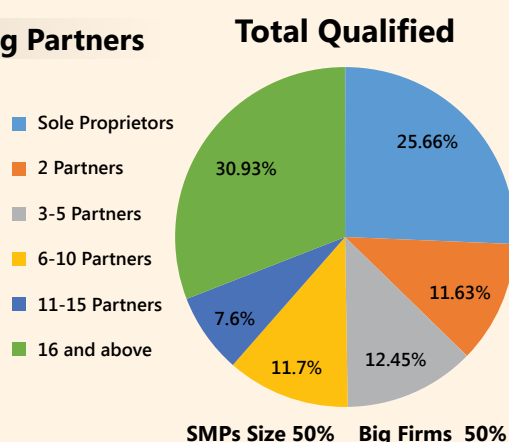
### Interesting Facts – Analysis of Firms by Qualified Staff

Firm Size	No. of Qualified Employees
Sole Proprietors	9
2 Partners	38
3 – 5 Partners	16
6 – 10 Partners	39
11 – 15 Partners	63
16 and above	348
<b>TOTAL</b>	<b>513</b>



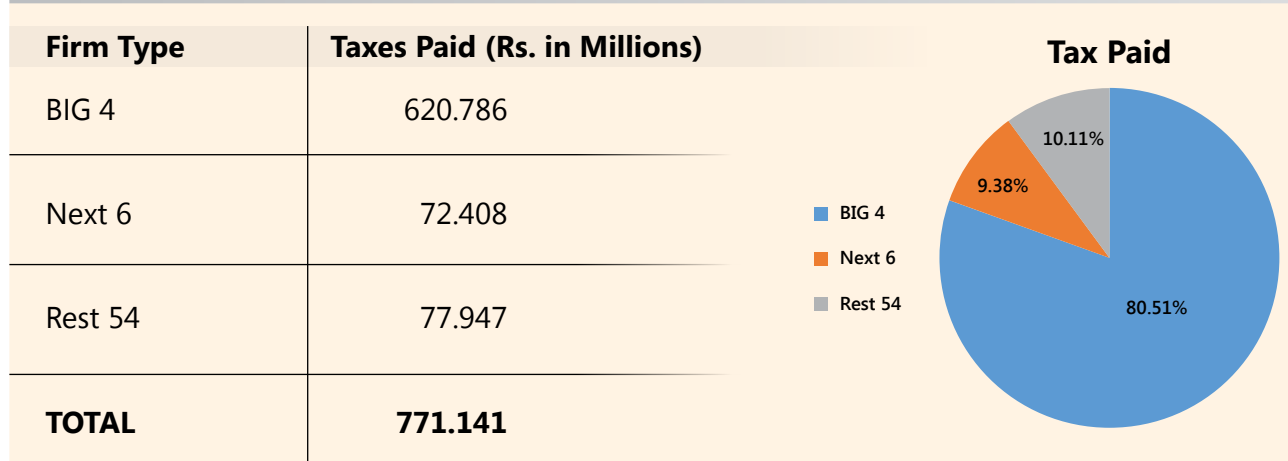
### Interesting Facts – Analysis by Total Qualified Staff

Firm Size	No. of Qualified Staff Including Partners
Sole Proprietors	375
2 Partners	170
3 – 5 Partners	182
6 – 10 Partners	171
11 – 15 Partners	111
16 and above	452
<b>TOTAL</b>	<b>1461</b>





### Interesting Data – Distribution of Cake (FBR Data, Tax Year 2015)

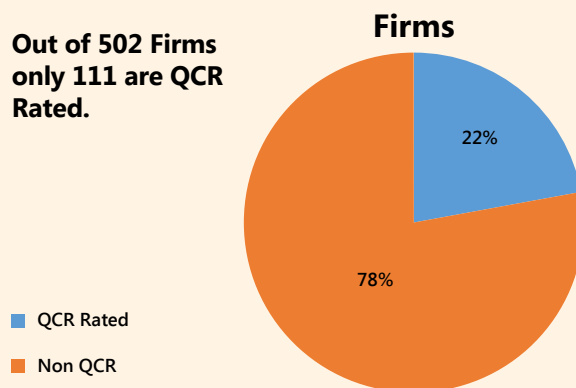


### The Growth Areas – IFAC Survey

Practice Area	Growth
Accounting, Compilation and Other Non-Assurance etc.	59%
Tax	68.8%
Advisory and Consulting	57.4%
Audit and Assurance	41%

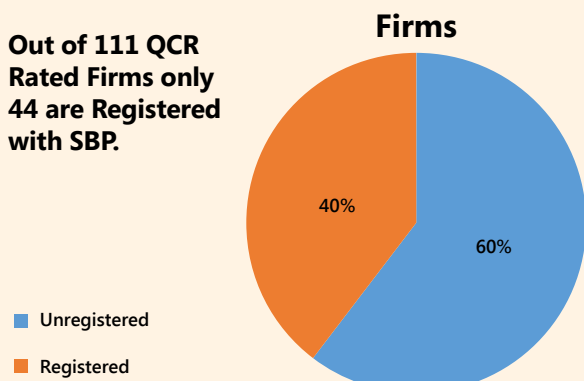
### Interesting Facts – Analysis of QCR Firms

**Out of 502 Firms only 111 are QCR Rated.**



### Interesting Facts – SBP Rated Firms out of QCR Rated Firms

**Out of 111 QCR Rated Firms only 44 are Registered with SBP.**



### The Highest Challenges – IFAC Survey

1. Attracting new clients (42.6%)
2. Rising cost (37.7%)
3. Personnel and staff issues (36.1%)
4. Differentiating from the Competition (34.4%)
5. Technology (32.8%)
6. New Regulation (29.5%)
7. Pressure to lower fee (27.9%)
8. Succession Planning (24.6%)
9. Servicing clients internationally (23%)
10. Retaining existing clients (9.8%)

## How the World Changed

- **The Golden Era of 60's, 70's and 80's.**
  - ♦ No growth barrier
  - ♦ Every body was getting fair share
  - ♦ No international brands
- **90's, 2000 and beyond**
  - ♦ Globalisation
  - ♦ Regulation
  - ♦ International branding

## How it Impacted SMPs

- Decrease in importance, size and market shares
- Big 4 phenomena
- Govt./Regulators bias
- Tight regulatory environment
- Market forces tilt

## Where to Go or What to Do

You need to ask yourself a question:

- ♦ Remain a SMP firm
- ♦ Move to higher league

## What is an SMP

- "SMPs are knowledge intensive firm that use the knowledge and experience of its partners to provide services to their clients."
- A typical SMP
  - ♦ Deal mostly with SME clients
  - ♦ Employ small number of professional staff
  - ♦ Do not audit listed or economically significant entities
  - ♦ Most of the work is in the provision of non assurance services

## What are the Strength of SMPs

- More personalised service
- Lean and low cost of Operations
- More Flexible and Adaptable
- Open to innovation and new ideas

## Target Market - SMEs

- Engine of growth
- Represent 85% and above of business population.
- Employ 80% of non-agricultural labour force.
- Represents 40% of GDP.
- Mostly owner driven
- Limited professional support available in-house.
- Mostly dependent on outside support
- Natural Partners to SMPs

## Broader Engagement with SMEs

- Traditional Areas
  - ♦ Audit and Assurance
  - ♦ Tax
  - ♦ Other Compliances
- Conscious shift in roles
- Assessment of the needs
- Diversifying the portfolio of services and creating value for your client and increase the depth and size of practice

## Role of ICAP

- PAO role in capacity development
- Corporate Governance Training in collaboration with IFC
  - ♦ Introduction to corporate finance
  - ♦ Building on effective and efficient board
  - ♦ Management control environment
  - ♦ Family governance and succession planning
  - ♦ Shareholder practices.

## Next Big Thing

- Business process outsourcing ( a case study)
- Onset of cloud computing
- Virtual CFO
- Free SMEs from all regulatory pressures
- Win-win for all stake holder
- Potential of exponential growth

## Business Development Strategy

- Developing a demand for services
- Building a sales strategy
- Effective customer relationship (CRM)
- Creating value for your client
- Conversion from consultant to trusted advisor
  - ♦ Building trust
  - ♦ Giving effective advice
  - ♦ Building relationship

# Common Reporting Standard – Are Pakistani banks ready?

by Nadeem Iqbal

**T**he Common Reporting Standard (CRS) is a new global information gathering and reporting requirement for financial institutions. Under the CRS, banks and financial institutions are required to determine where customers appear to be tax resident. If customers are tax resident outside the country where they bank, then the financial institutions may be required to give the national tax authority this information, along with information relating to their accounts. This may then be shared with the tax authority where they are tax resident.

To help fight against tax evasion and protect the integrity of tax systems, many governments around the world have followed the United States government's introduction of Foreign Account Tax Compliance Act (FATCA) by introducing a new information gathering and reporting requirement for financial institutions. This has been designed by the Organisation for Economic Co-operation and Development (OECD).

The CRS is implemented in participating countries through national legislation. Under these rules, banks are required to identify the tax residency of all customers and then in some cases, dependent on local legislation, give local tax authorities information on those customers that are tax resident outside the jurisdiction where they bank or hold financial products. The tax authority can then share information with the country where the customer is tax resident, if the jurisdiction has a CRS agreement to exchange information with that country.

CRS is coming into effect in stages; the first of these began on January 1, 2016. In September 2016, Pakistan signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters and became the 104th jurisdiction to join the Convention.

The Convention is the most powerful instrument for international tax cooperation. It provides for all forms of administrative assistance in tax matters: exchange of information on request, spontaneous exchange, automatic exchange, tax examinations abroad, simultaneous tax examinations and assistance in tax collection. It guarantees extensive safeguards for the protection of taxpayers' rights. Failure to do so would harm the reputation and make it harder for banks to win and keep business.

Although the standard is largely modelled on FATCA, there are key differences between the CRS and FATCA:

- Implementing FATCA is a 'many to one' solution where banks had to report on United States' persons as account holders to the Internal Revenue Service (IRS), either directly or via the relevant tax authority in the local jurisdiction.
- The CRS is a 'one to many' solution undertaken many times in every participating jurisdiction.
- CRS seeks to establish the 'tax residency' of customers and clients rather than their 'citizenship.'
- Under the CRS, there is no requirement to 'withhold tax.'

The scope of the CRS is wider than FATCA in certain areas:

- The lower value 'de minimis' exclusion for accounts held by individuals is not applicable under the CRS – so the CRS covers all accounts. There is also no de minimis exclusion for new entity accounts opened under the CRS.
- The exclusion from reporting for 'active' non-financial entities is largely removed, which greatly increases the number of clients brought into scope under the CRS.
- Banks are required to undertake increased due diligence on any controlling persons of a 'passive' (non-trading) non-financial entity under the CRS.
- For all new and pre-existing accounts there is a requirement to identify the tax residency of all customers.

Under the CRS, banks are required to determine where all our customers are 'tax resident' – this will usually be where the customer is liable to pay income or corporate taxes. If the customer is tax resident outside the country where they hold their account(s) then banks may need to provide details, including information relating to the accounts, to the national tax authority in the country where the account is held. They may then share that information with the tax authority of the country (or countries) where the customer is 'tax resident.'

The information reported to the tax authorities will either:

- have been provided by a self-certification from the customer; or
- have been taken from internal records of existing customers if the customer does not make a self-certification.

Banks will report details about the accounts and products a customer has with it, including:

- the balance or value; and
- the total amounts of interest or payments credited.

Each country has its own rules for defining tax residence.

An individual (personal) customer's tax residence will depend on where the customer lives and their individual circumstances.

An entity (corporate) client's tax residence may be based on their place of incorporation or management, or their address. The tax residence of trusts may be based on the address of one or more of their trustees.

More details of CRS are available on OECD website:

<http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/>

CRS identification and reporting moves in tandem with Customer Due Diligence and Know Your Customer requirements, and will make a positive contribution to improving standards in the global financial system.

Failure to comply with CRS can have reputational and regulatory implications. Nevertheless, the question remains, and that is: How well are Pakistani banks prepared to comply with CRS requirements?



# Canons and Forms of Securities for Lending Products

by Muhammad Shahid Saleem

**F**rom my experience in banking industry, I felt it necessary to have a comprehensive article on the forms of securities for lending products. This will be handy for firsthand conceptual knowledge on lending area and will also be helpful to those who joined the banking industry in the recent past or who will do so in the days to come.

## 1. Canons of Lending and Facilities to Borrower

### 1.1 Canons of Lending

Since the banks deal with public money in the form of deposits, they have to exercise several precautionary measures so that the money lent can be recovered with interest (markup/profit) and other costs related thereto. Banks, therefore, have to ensure the following principles while selecting a borrower.

1. **Safety:** Banks have to ensure the principle 'Safety First' of the funds lent by them as the very existence of a bank depends on recovering the amount with interest. Reckless lending is likely to land the bank in deep trouble that may put

the bank in liquidation. Therefore, five elements commonly known as 5C's of lending helps a banker in arriving at a conclusion regarding the safety of funds.

2. **Liquidity** (possibility of recovering): Banks are required to consider the liquidity of the funds as far as possible so that, if needed, they can get back the money by recalling the advance, wherever warranted.
3. **Diversification:** Not invest in only specific product/sector but to maintain a portfolio of investment from security point of view.
4. **Security:** A cushion to fall back upon, in case the borrower fails to repay the loan

in normal course of events, such as loan insurance or collaterals such as cash, social guarantee, mortgage of property, etc.

5. **Remuneration:** Profitability on loan product keeping in view the reward and risk relationship.

These principles normally called canons of lending and applied to reduce the risk involved in lending and could be expressed in following mnemonics:

- 5 Cs (Character; Capacity; Capital; Conditions; Collateral)
- Parts (Purpose; Amount; Repayment; Term; Security)
- Camels (Capital; Asset quality; Management; Earnings; Liquidity; System)
- Campari (Character; Ability; Margin; Purpose; Amount; Repayment; Insurance [Security])
- Parsers (Person [Character, Capacity, Commitment]; Amount; Repayment; Security; Expediency; Remuneration; Services)

## 1.2 Type of Credit Facilities Bank can Provide to Borrower

Banks normally offer credit facility both on standalone basis as well as in syndication with other financial institutions. Exposures, both fund-based and non-funded facilities are offered for short and long tenures through standard products listed as under:

### A-1. Fund Based Facilities

#### General Facilities

- Running Finance (RF) – secured (against collateral) and clean (against personal security/guarantee)
- Cash Finance (CF) – facility provided against pledge of goods
- Term Finance (TF) – repayment of loan in installments
- Lease Finance (LF) – hire purchase or project finance
- Consumer Credit (CC) – auto finance, personal loan, house finance
- Credit facilities extended through Corporate Cards
- Local Bills Purchased (LBP)
- Local Bills Discounted (LBD)

#### Import Facilities

- Finance Against Imported Merchandise (FIM)
- Finance Against Trust Receipt (FATR)

#### Export Facilities

- Finance under Foreign Currency (F.E. 25) Deposit Scheme
- Finance Against Packing Credit (FAPC)
- Export Refinance (ERF-I & II)
- Finance Against Foreign Bills (FAFB)
- Foreign Bills Purchased (FBP)
- Foreign Bills Discounted (FBD)

### A-2. Non-Funded Facilities

- Guarantees, including Bid Bonds, Performance Bonds, Advance Payment Guarantees, Financial Guarantees, etc.
- Standby Letters of Credit
- Letters of Credit – Usance
- Letters of Credit – Sight
- Underwriting

**B.** Subscription to or investment in shares, Participation Term Certificates, Term Finance Certificates, Sukuk or any other Commercial Paper by whatever name called issued or guaranteed by the persons.

**C.** Exposure (Net open position) on account of derivative transactions (Forward, Futures, Options, Swaps).

### Prudential Regulations

Central Bank of each country has the responsibility to issue guidelines and regulations that deals exposures with the aim to assist banks and financial institutions in better addressing their unique risk factors and dynamic environment by giving more discretion in business decisions.

In Pakistan, State Bank of Pakistan (SBP) issued these regulations that describe minimum prudential benchmarks in critical risk areas to balance the considerations of financial stability of banks/Development Finance Institution (DFIs) vis-à-vis diversity and innovation. To date, the following regulations have been issued to regulate the facilities:

- PR for Agriculture Financing
- PR for Corporate/Commercial Banking
- PR for Small and Medium Enterprise (SME) Financing
- PR for Consumer Financing
- PR for Micro Finance Banks

Moreover, detailed guidelines are available on Project Finance, Export Finance Scheme and Islamic Finance.

## 2. Collateral/Securities for Advances

Exposure without any security or collateral is treated as clean and the central bank normally restrict a cap (in Pakistan, it is of Rs. 2.0 million) and above which clean exposure is not allowed. However, finance extended from the date of opening of Letter of Credit (LC) till receipt of title documents to goods and Financing Against Trust Receipt Facility (FATR) are general exceptions and banks may decide its own about collaterals.

We may categorise the collateral into two parts:

- **Primary collateral:** comprises movable and immovable assets acquired with bank's financing i.e. hypothecation and pledge of stocks in case of Running Finance (RF) and Cash Finance (CF).
- **Secondary collateral:** over and above primary collateral and it serves the purpose of additional security.

In practice, advances given as Clean is made against Promissory Notes or

personal guarantees while Secured Advances are made against Tangible and Marketable Securities.

### 3. Legal Forms of Securities for Advances

#### Legal Forms of Securities are as under

Now we move forward towards legal forms of securities that are available to banks/financial institutions to secure its advance. They may take the forms of:

#### A. Lien (Contract Act, 1872)

- Lien is the banker's right to withhold property until claim on property is paid. A lien may be either a particular lien or a general lien:
  - a) Particular Lien: arises from the particular transaction, connected with the property subject to lien e.g., a carrier's lien for his charges on goods carried.
  - b) General Lien: arises out of general dealings between the two parties, e.g., Bank's Lien.

#### B. Charge (Transfer of Property Act 1882, S100)

- A charge is security for the payment of a debt or other obligation that does not pass 'title of the property' or any right to its possession to the person to whom the charge is given.

#### C. Pledge (Contract Act, 1872)

- Pledge is a bailment of goods as security for payment of a debt or performance of a promise.
- Bailment means delivery of goods by one person to another for some purpose, under a contract that the goods shall, when the purpose is accomplished, be returned or otherwise disposed of according to the directions of the person delivery them.

#### D. Hypothecation

- When property in goods is charged as security for a loan but ownership as well as possession remains with the borrower, the goods are said to be 'hypothecated'.

#### E. Guarantee (Contract Act, 1872)

- A guarantee (oral or written) is a promise by one person, called 'guarantor/surety' to another for answering the present or future debts of a second person called 'principal debtor'.

#### F. Indemnity (Contract Act, 1872)

- A contract of Indemnity by which one party (indemnitor) promises to save the other (indemnitee) from loss caused to him by the conduct of the promisor himself, or of any other person.

#### G. Mortgage (Transfer of Property Act 1882, S58)

- Transfer of an interest in specific immovable property for securing payment of money advanced or to be advanced by way of loans and this transfer is actual.

### 4. Pricing of Loan Products

#### 4.1 Pricing Mechanisms of Loan Products

- Pricing Mechanisms: pricing of the loan is the markup rate and such markup rate has two components:
  - Base Component of Markup: can be derived from:
    - a) Internal cost of funds: can be in terms of (i) rate of return promised to the depositor; (ii) the administrative cost of generating, processing and servicing the deposit/depositor.
    - b) Market based cost of funds: bank can also borrow from other banks and that involves such costs, e.g. Karachi Inter Bank Offer Rate (KIBOR), Treasury Bills, Pakistan Investment Bonds (PIBs), Repurchase Agreement (REPO) and Reverse REPO rates are generally used as benchmark indicators in the Pakistan market.

- Variable Components of the Markup is the spread that banks keep on top of their base component or cost of funds when lending to customers. The size of spread generally depends on three factors:

1. Type of Customer (corporate/wholesale/retail)
2. Customer Credit Rating (based on profile)
3. Banks Balance Sheet Mix (and its need for deposit or loans at a given point in time)

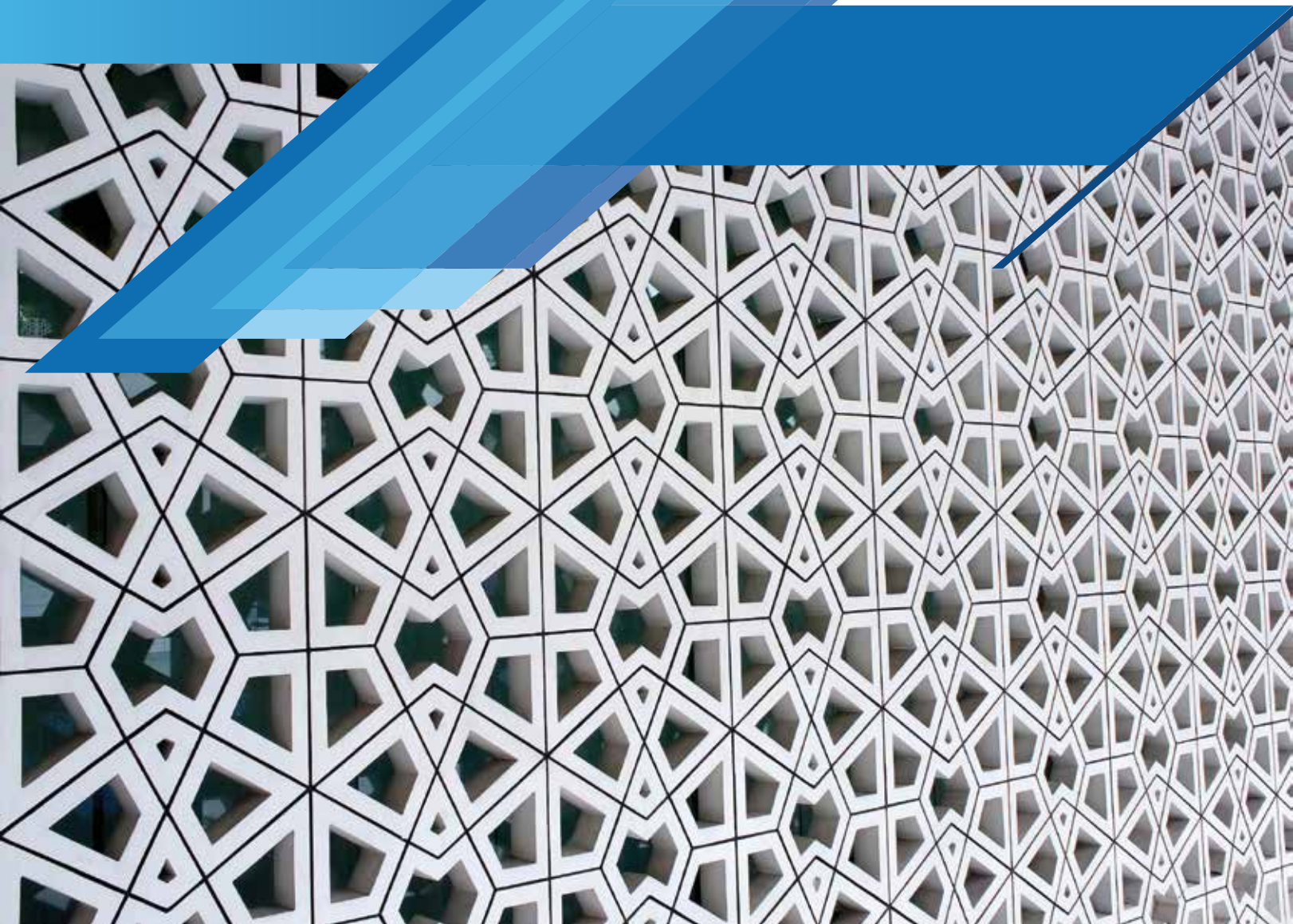
#### 4.2 Fixed and Floating Rates of Markup

- Fixed and Floating Rates: Markup rate given to a customer can be floating or fixed:
  - a) Floating Rate: also known as variable or adjustable rate refers to a rate on any type of credit that does not have a fixed rate of markup or interest over the life of that credit. It is charged on a periodic basis and usually tied to the movement of an outside indicator or the prime rate/discount rate. One of the most common rates used as the basis for applying interest rates is the KIBOR.
  - b) Re-pricing Interval: measures the period from the date the loan is made until it first may be re-priced. For floating rate loans that are subject to re-pricing at any time the re-pricing interval is zero.
  - c) Fixed Rate: that does not fluctuate during the fixed rate period. This allows the borrower to accurately predict their future payments.

#### 4.3 Other Methods of Pricing

- a) Risk Based Pricing: in the simplest terms, is alignment of loan pricing with the expected loan risk. It's a manifestation of the risk reward concept – higher the risk, higher the reward; in this case higher the risk, higher the price of credit i.e., markup.
- b) Risk Reward Pricing: is the ratio used by lenders to compare expected returns of a loan to the amount of risk undertaken to capture these returns. Ratio is calculated mathematically by dividing amount of profit the lender expects to have made when the position is closed (i.e. the reward) by the amount he stands to lose if price moves in unexpected direction (i.e. the risk).
- c) Relationship Yield Pricing: is pricing the credit based on the overall customer relationship rather than on a stand-alone product basis.
- d) Opportunity Cost: is the cost of an alternative that must be forgone in order to pursue a certain action. Put another way, the benefits you could have received by taking an alternative action.





# Misconceptions about Islamic Banking – A Depositor's Perspective

by Shahzad Hussain

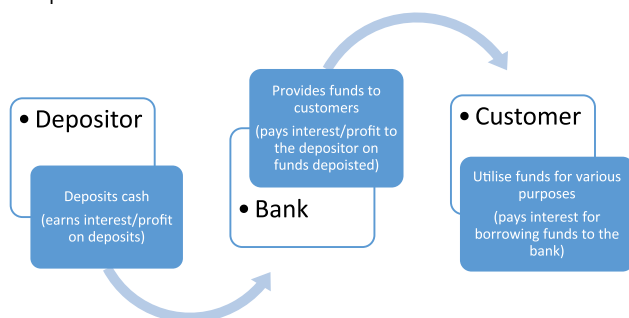
For someone to look objectively at the growth of Islamic Banking (or rather lack of it) in Pakistan, it would be mystifying, that in a country created in the name of Islam, having a large majority of population practicing the basic tenets of Islam to some extent (like offering Friday prayers, fasting in the holy month of *Ramadan*, *Haj*, *Umrah*, *Zakat*, *Sadqa* and other charitable deeds), the total market share of Islamic banking is negligible in the context of total banking market. The scenario becomes even more complex as interestingly majority of the population considers conventional banking equivalent to Riba.

Analysing these facts, the first logical reason which comes to mind is that the masses are not convinced about Islamic banking being actually in accordance with the Islamic principles of Shariah. They consider the setup of Islamic banking as a charade, a farce, just a change in name, a marketing gimmick by the banking industry to rope in the riba conscious segment of the society – the devoted Muslims who have avoided conventional banks due to their religious beliefs.

## Layman's Understanding of Banking Operations

A vast majority of the population in our country consider banks as entities, where money is received from depositors at a fixed percentage of return, which is further invested in different assets like advances or investments from which bank's earn profit/mark up. In addition to providing certain auxiliary services like utility bill collection, etc.

Understanding of trade finance, treasury, mechanism of Credit cards and Debit cards and other similar functions is beyond their comprehension.



If we drill down further, majority of the population uses the banking channel mainly in the role of a deposit holder, as they are not exposed to the asset side products other than few who have entered in to Ijarah agreements for products like automobiles. Therefore, it could be logically concluded that majority of the misconceptions regarding Islamic banking are there due to the perception regarding the deposit side of the Islamic banking, being similar to the profit and loss sharing mechanism of conventional banks.

## Misconceptions Relating to Deposits

A few reasons which create doubt in the mind of the common depositor regarding Islamic banking being Shariah compliant are:

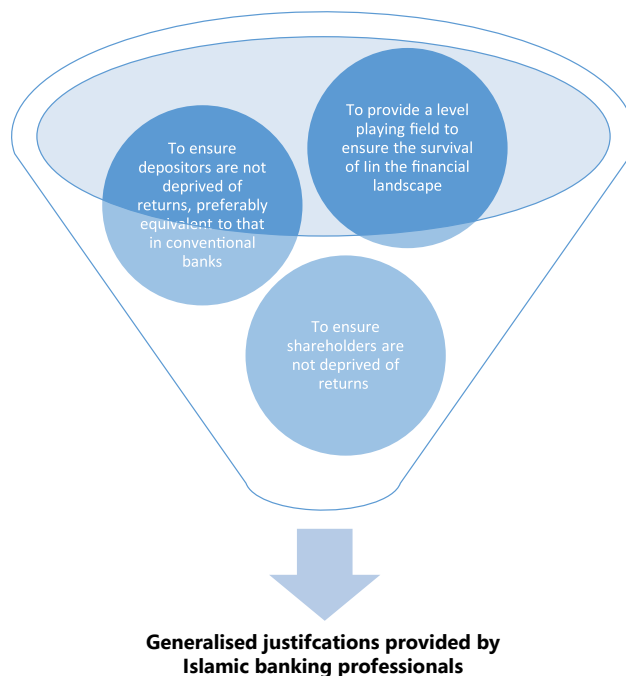
- Categorisation of deposits: The products/basis/categorisation of depositors is done on the similar basis if not on the same basis.
- Similarity in rate of return: The rate of return is **exactly** the same as for the conventional banks.
- Meeting expected rate of return, what may come: The expected rate communicated, mostly misunderstood for rate committed, is always met to the last decimal.

- Concept of loss sharing: In an actual profit and loss sharing mechanism, once in a while for a lesser period and smaller pool, there could be a scenario of actual loss being passed to the depositors. Such an occurrence has not been witnessed.

On the face of it, these arguments seem sufficient, however, if one goes in to detail and tries to understand the mechanism and principles which govern these products then there is a good chance that we might understand the rational and logic behind it.

## Standard Response from Islamic Banking Professionals

More often than not, Islamic banking professionals will come up with generalised responses rather than addressing the specific questions raised. Usually these responses will center around the following notions:



## Response to the Apprehensions

While addressing the apprehensions/queries on Islamic banking in general and deposits or profit and loss sharing mechanism in particular, the objective should be to educate and convince the potential customer/individual who has raised the query.

The response should take a logical and honest route, accepting the deficiencies and areas of improvement in the Islamic banking system:

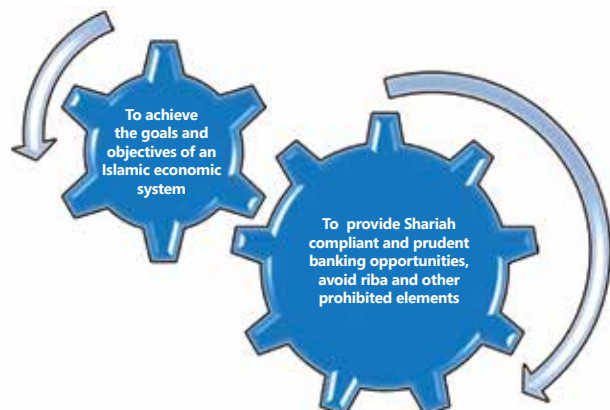
1. Objectives of Islamic banking
2. Realisation regarding status of current Islamic banking system
3. Basic concepts/agreements at the back of the product in question
4. Response to specific apprehensions/queries relating to profit and loss sharing mechanism (deposits)
5. The way forward

## Objectives of Islamic Banking

As a starting point, objective of Islamic banking should be very clear firstly to the practitioners including Shariah scholars, Islamic bankers, consultants, auditors and all who are in any way or manner involved



with Islamic banking and through them to the masses and general public. This can help bring everyone on to the same wave length and create awareness of what to expect.



### Realisation regarding status of Islamic Banking

First of all we i.e. everyone, from the regulator to the Shariah scholars to the management of Islamic Financial Institutions (IFI) to the Islamic bankers, need to accept and realise that Islamic banking, in its current form, is not in its ideal state (as mostly products are made as a replication of conventional products with elements which makes them Shariah non-compliant/Haram). They need to reach to the ideal state and not exhaust all energy to justify the existing model. However, what is now being offered is taking care of transactions, matters, dealings, structures, agreements and subject matters which are specifically prohibited by Shariah.

To achieve the ideal state, responsibility does not fall only on Islamic banks and people associated with them but also on the general public to support them to achieve that goal.

Category	Understanding required	Action required
General Public	To realise that Islamic banking even in its current form takes care of matters which are prohibited by Shariah.  Whereas, same cannot be said about conventional banking.	To support Islamic banking in comparison to conventional banking.
Islamic Banks Regulators Practitioners, etc.	To realise that Islamic banking has to evolve and improve. Target the ideal state and not be complacent with the current state.	Accept and work towards improving the Islamic banking practice including products.

### Basic concepts/agreements at the back of the product in question

Masses need to be made aware regarding the basic concepts and agreements/products of Islamic banking operations in general and profit and loss distribution in particular for their apprehensions to be addressed. Awareness of the following should be provided to the customers:

- Concept of Islamic economic system
- Basic concepts of Islamic finance and banking
- Difference between conventional banking and Islamic banking

Further, the depositors and the potential customers need to be educated regarding certain concepts/agreements specific to the profit and loss distribution mechanism, including the following:

- Agreements on which profit and loss distribution mechanism is based (for example, Modaraba and Musharaka)
- Basic requirements/characteristics of these agreements
- How the different aspect of existing profit and loss mechanism can be traced with the requirements and characteristics of the agreements

### Response to specific apprehensions/queries relating to profit and loss sharing mechanism (deposits)

#### Does pricing/benchmarking make the substance of the transaction haram

We need to understand that there are certain areas, where the borderline between haram and halal is very thin, most common examples would be:

- taking the name of Allah Almighty upon an animal at the time of slaughter makes it halal and permissible, while not doing makes it haram
- or by just a few words of acceptance in Nikah, in the presence of witnesses, a man and woman become halal for each other

Similarly, if a transaction/product is structured in such a way that it remains in the ambit of being Shariah compliant then it should not be considered being non-compliant to Shariah principles only because of its similarity to the conventional banking product.

As per the Shariah principles: Substance of a transaction makes the transaction Shariah compliant or otherwise, neither the pricing model nor the repayment structure.

The fact to be realised is that the Islamic banking or for that matter Islamic economic system cannot work in isolation from the overall environment which includes different factors such as the global political, legal, economic systems.

### Meeting the expected rate of return through Hiba Agreeing on the profit sharing ratio before the contract period/ Modaraba/Musharaka

Usually, when a bank creates a pool at the start of the month, they have a fair idea of what will be the approximate deposit base and what will be their asset base and how much they will be investing in Sukuk or placements. With the aid of forecasting a profit sharing ratio, a weightage is arrived at before the start of the contract (i.e. the month) which is computed keeping in mind the market return.

#### At the time of constructive liquidation of Modaraba (Musharaka)/culmination of contract

At the end of the contract/month when the actual numbers for the pool are arrived at and the return for the depositor is less than what was expected, the same is compensated by the bank by letting go/gifting portion of its share of profit to the deposit holders (which is called Hiba).

Hiba is by no means forbidden nor a practice contradictory to the Shariah principles.



**The masses are not convinced about Islamic banking being actually in accordance with the Islamic principles of Shariah. They consider the setup of Islamic banking as a charade, a farce, just a change in name, a marketing gimmick by the banking industry to rope in the riba conscious segment of the society – the devoted Muslims who have avoided conventional banks due to their religious beliefs.**

**The majority of the misconceptions regarding Islamic Banking are there due to the perception regarding the deposit side of the Islamic banking, being similar to the profit and loss sharing mechanism of conventional banks.**

#### **Working towards eradicating the practices which creates doubts**

Keeping in view the Shariah principle that 'Almaroof al Mashroo' (anything which becomes common becomes implied), a question arises that due to regularly contributing from shareholder funds to the depositors for matching the expected rate of return makes it implied that depositors will get the same rate of return as mentioned to them as expected rate of profit, which will seem like a fixed rate of profit.

To cater to this issue, over the last few years, central bank has made efforts to control this practice by:

- putting (monetary) limits on Hiba; and
- also restricting certain kinds of Hiba (for example: customer specific).

However, along with the regulator, banks also need to pull their weight in the right direction to do away with the practices (on their own and not only to comply with the regulators directive) which are creating doubts in the minds of the public.

#### **Categorisation of deposits/allocating different weightages**

One of the most common questions asked about the profit and loss sharing mechanism of Islamic banks is why different weightages are assigned to different deposits (based on tenures and amounts).

To comprehend the reason for the same, we would first of all need to understand that bank invest funds in different assets (generally, longer the tenure and bigger the amount results in higher profits) ranging from very short term Murabaha to long term Ijarah or diminishing Musharaka.

To invest in short term Murabaha, a deposit of a short term is sufficient but the same deposit cannot be utilised for investing (and earning profits) from long term assets – say Ijarah. Therefore, if all deposits cannot be utilised to earn same profit then will it be justifiable to pay them equally.

Islamic banks use weightages because they face the challenge of distributing profits among a wide variety of

depositors with varying tenures and amounts. Depositors continually open and close their accounts or increase or decrease their balances with the bank. In order to tackle this, the bank assigns a weightage to a specific deposit, based on its amount and the tenure, so as to create a balance in profit returns to these various deposit categories. Weightage based model of profit distribution is approved by most of the Shariah advisors and regulators. The basic rationale behind the same is: Shariah does not mandate an 'equal return' to all partners, instead allows 'Just' and 'Equitable' method of distribution of profit.

#### **The way forward**

Every individual associated with Islamic banking in any capacity or role whether Shariah scholars, Islamic banking professionals, consultants or regulators need to understand and acknowledge the responsibility they have been entrusted to make Islamic banking gradually free of Hiba, Hilal etc. Secondly, to create awareness and develop trust amongst the general public regarding the transparency of Islamic banking being Shariah compliant may include avoiding transactions/structures, products which create doubts in the minds of the public.

A few actions that can be taken to take address the same would include:

<b>Actions required</b>	<b>Responsibility</b>
Creation of benchmark for Islamic banks interbank rate for Islamic Financial Institutions	Regulating bodies around the world, involved with Islamic banking
Ensuring all the requirements of Modaraba/Musharaka arrangements are properly adhere to	Individual professionals
Pools are established and operated in a manner that all the doubts/resemblances to fixed profit are addressed	Product development/pool management department
Ultimately moving toward Modaraba and Musharaka models (in essence)	Industry

There is some progress on the above mentioned, however, results of these actions need to be visible for the population to actually consider Islamic banking different from conventional banking in substance, form and, above all, intention.

# DISCOURSE

Is your success shaped by your genes?



**Muhammad Athar Jamal, ACA**  
Karachi

Born to win. The drive to success is in our genes, say scientists. However, I believe that though DNA isn't destiny, it does have something to say about the kind of people we become and what we achieve. But we also know that human development stems from a complex interaction of the genes we inherit and the environments we encounter. Nature and nurture combine to make us who we are. If we think success is all innate talent, we risk failing to make the most of the ability we have. If we take the view that success is all opportunity, we risk perpetuating the equally unreal 'Disney message' that says, "You can be anything you want to be." Hence, in a nutshell, it is both the genes and opportunity along with hard work that determines your talent and lead to success in every walk of life, whether it's your education or professional career or your personal life.



**Mudassar Ghulam Nabi, ACA**  
Islamabad

We may say that majority of successful people have some unique genetic characteristics but it does not mean that every person will be successful. To better understand this phenomenon, we should first understand the true meaning of success. For me ultimate success in this world is to attain a sense of contentment and gratitude in all kinds of situations in life. So, with this definition of success, this hypothesis is not of much relevance. Genes may give inherent abilities, intellect, wisdom, attitude and ethics but it won't work without efforts and the appropriateness of environment in which it is executed. Success shaped by genes does not mean it's shaped without the involvement of knowledge, experience, lucrative conditions, availability of opportunities and the most importantly, blessings of Allah.



**Qasim Abbas, FCA**  
Toronto, Canada

No, my success is not shaped by my genes. My parents were from a poor family and not well educated. Due to our poor financial condition, up to secondary level, my father had arranged scholarship from Memon Educational Society, Karachi. In fact, the scholarship was from the charity money from community philanthropists. Later, I became member of that community and paid back the society so other needy students can continue their education and can have better life. I am still in touch with the society for this purpose.

After my matriculation in 1956, due to poor financial conditions of my family, I could not study and had to opt for a clerical job at Rs. 100 per month in Landhi, Karachi. However, while on job, after wasting 4 years I joined evening Commerce College from 1956 to 1959. From Landhi to the city, to attend the evening college after duty, I always lost two important periods of Accounting. However, based on my firm determination and dictum 'When there is a will, there is a way,' I struggled very hard and devoted 18 hours a day and finally obtained a B. Com degree in second division in 1964.

Then after two years, I decided to pursue my study further. I sacrificed half of my salary and joined a prominent audit firm in Karachi in 1966 and later enrolled with ICAP. I had also enrolled myself with ICMAP (then PIIA). Due to my firm determination and hard work, I became a chartered accountant in 1971 and cost & management accountant in 1975. In the final examination of ICMAP, I was awarded a Merit Certificate for obtaining the highest marks in Advanced Cost Accounting.

After three degrees B. Com, CA, and CMA – I joined the government's oil corporation in Abu Dhabi, UAE, where I served on a very senior managerial position and was able to get my five children educated at prestigious universities of USA up to Master level, and who are now very well settled in North America. The organisation also sponsored an Arabic language course at the ministry of Education's institute and I managed a 'Mumtaz' (excellent) certificate.

While in Abu Dhabi, I was the chairman of the Regional Committee in 1987 and president in 1994 of the Pakistan Chartered Accountants Club, Abu Dhabi, arranging professional activities for members, duly reported in ICAP Newsletter, Volume 16, No. 1 of January 1994. From 1983 to 1987, I was the acting honorary representative of ICMAP, arranging examination facilities at my office for UAE candidates which also served as information centre.

In 1999, at 60, I voluntarily retired from my Abu Dhabi job, and joined my children in North America.

Since last 18 years, I am enjoying my retired life in Canada by regularly contributing useful articles in North American publications in three languages. Since the last 12 years, I am a regular columnist of a non-Muslim Canadian publication, writing columns on Islam, Mirror of Islam, each week, which is strictly based on verses of the Holy Quran. Thus I'm spreading the words of Allah to non-Muslims through my regular column.

My long journey from rags to rich, my life story, describing my firm determination and hard work, has been published in English, Urdu and Gujarati publications and online as well, where I have been described as a role model and pursuer of education and success.



**Rija Salim Mangroli, ACA**  
Karachi

It's difficult to determine human potential or destiny from mere genetic tests, but it would be right to say that all inherited features or traits are resultants of genes. Success is not a by-product of gene interaction in your body but how well those genes inspire you and how well they create the environment to nurture you. I mean our parents. Parents are the moving genetic models who set the benchmarks for success and inspire us, motivate us and push us to strive for success. People whose parents are successful either as employees or as businessmen/women, have greater chance to have prestigious careers, make more money and live luxuriously. We may inherit the IQ and brainstorming skills from parents but unless a favoured environment is created to polish them equally with self-control, interpersonal skills and confidence, we cannot lead on to the path of success. I speak from personal experience. Being raised by two successful doctors, I have always aspired to be somebody, achieve certain goals in life, and excel the standard necessary for being a successful person. Given the right motivation, inspiration and belief in myself from my parents, I was able to set off in the right path. Just a few more years in my career, I see myself becoming the person my genes demand. So, it can be rightly said that genes alone is an unreliable predictor of someone's ability to succeed, equal consideration has to be placed on environment to evolve and mature them further.





**Shiraz Noordin, FCA**  
USA

Speaking from a non-scientific background and point of view, I am of the opinion that my success has been largely shaped by my hard work and perseverance, and not my genes. I strongly believe that it is my sheer hard work ethic which my parents ingrained in me from a young age coupled with my parents' prayers and Allah Almighty's mercy and benevolence that has led me to where I am today. And I say this while acknowledging that I only speak for myself and not others, and with all due respect and credit to other people who may have a scientific background and who may feel that their genes and other genetic factors have a role to play in their respective success.

I vividly remember those days back during my chartered accountancy education when I would burn the midnight oil to study as well as wake up early mornings to study for my CA exams. And whenever I would feel unmotivated, my parents would always fuel my drive to work hard with their love and encouraging words. Other than that, I remember that I would often have to decline my friends' offers to hangout in the evening or to go play soccer, my favourite childhood sport, so that I could invest that time to study for my CA exams.

All those sacrifices as well as the hard work that I put into my studies paid off and brought me to where I am today. Thus, from that point of view, I think that my success has been largely shaped by all that hard work and time that I invested into my studying. They served as a strong backbone to my professional career.

I do not know whether there is a genetic component behind my success, but even if there happens to be one and I'm unsure of it, I'm sure that the good old saying "There is no substitute for hard work," would still hold meaning and truth to a great extent. Because think about it, would the legendary boxer Muhammad Ali have made it as far as he did if he had just let his genes do the work for him and not invest in his exercise and training?



**Babar Hashmi, FCA**  
Dubai

Genes will only give the building blocks for your life, and if you are lucky, you end up doing in life what your building blocks were made of. However, to define success, using a single gauge to measure all, is rather unfair. To quote John Lennon, founder of Beatles, "When I was five years old, my mother always told me that happiness was the key to life. When I went to school, they asked me what I wanted to be when I grew up. I wrote down 'happy.' They told me I didn't understand the assignment, and I told them they didn't understand life."



**Sahar Mahmood, ACA**  
Islamabad

Unlike heredity characteristics defined by genes, success is something linked to hard work, intellect and persistence. It isn't necessary that someone is born with a silver spoon in his mouth, but one can always groom oneself to climb the stairs of success. Look around and there are countless now-so-famous and successful faces who have defeated their destitutions. Get to know the struggles of people like Oprah Winfrey, the American media proprietor, host, actress, who lived a childhood, which included abuse, utter poverty with barely hand-to-mouth earnings from a farmland. She is now worth US \$2.4 billion. Suze Orman, the American author, financial advisor, motivational speaker, who is now worth approximately US \$25 million, but she lived out of her van for four months in 1973. Charlie Chaplin, the famous English comic actor, film maker who grew up without a father and his mother being in a mental hospital, raised his brother and himself, making petty living. Dr. A. P. J. Abdul Kalam, the Indian president, space scientist who sold newspapers and walked miles to get an education. From an extremely poor background, he went to become a nuclear scientist and also the 11th president of India. And our very own legend Abdul Sattar Edhi, Pakistani philanthropist, often referred to as 'the richest poor man' – the name says it all. As the famous saying by Bill Gates, the American business magnate, investor, philanthropist goes: "If you are born poor, it's not your mistake, but if you die poor, it's your mistake." So, instead of relying on your genes, get up and step out of your comfort zone to get success.



**Muhammad Waqas, ACA**  
Riyadh, Saudi Arabia

I think a good starting point to this discourse would be to discuss as to what is 'success' and then what makes us successful. From an early age, 'success' is ingrained in our minds as something tangible which society accepts or applauds. It ranges from what we do for a living to how lavish our mode of living is as compared to others. As much as to its tangible side, sometimes success is about having the courage to face your fears, get over your ego, or follow your heart no matter how society perceives it. Success is an effect and like for every effect there is a cause, the cause of success is our method of thinking rather than our genes.

Yes, we do inherit a few characteristics from our genes but that is not all what constitutes us. You may inherit intelligence but if you do not act on it, you cannot achieve much. If you were not born in Picasso's family does not mean you cannot be a great painter. It is more about 'know yourself'. Real success is whatever our minds can conceive and believe, and our minds can achieve.



**Afaque Ahmed, ACA**  
Manama, Bahrain

Success does not depend solely on genes. I believe anyone can be successful if he has the will power and he works hard and to his full capacity. However, some people are born more intelligent than others and in such cases genes do play an important role and things are comparatively easier for them throughout the road to success. Further, I believe, one's luck also comes into play to determine and shape his success.



**Tanseer Ahmed Shar, ACA**  
Karachi

A unit of heredity which is transferred from a parent to offspring and is held to determine some characteristic of the offspring is called gene. Scientists have conducted studies to discover the connection of genes in deriving the achievement of better socioeconomic results. I may disagree with the idea that well-known politicians', economist', lawyers', doctors', engineers' offsprings fail to do what their parents had done before them. Relying merely on the information or characteristics of genes may be quite misleading. The following examples may support my narrative: Galileo Galilei, son of Vincenzo Galilei, became physicist, mathematician and astronomer. Though his father, Vincenzo Galilei, was singer, musician, lutenist and an art loving person; Makhdoom Talib-ul-Mola, renowned poet of Sindhi, had a number of sons, just one, Makhdoom Ameen Fahim, became a relatively lesser known poet but a more prominent politician. If he had inherited the same genes, why did he fail to become even a bigger poet than his father? To my surprise, the father of Talib-ul-Mola was not even a poet; Amitabh Bachchan has left an unending impact in terms of acting in Bollywood, then why did his son Abhishek Bachchan fail miserably to give any reasonable performance?

It may be presumed from the above examples that genes do have a certain level of reaction on offsprings but it can't be a predictive tool. The study of genetics may prove lethal where people's genes are not much strong in terms of education, sports, etc. and should be left unattended. This will rule out the concept of hard work where everybody shall have predetermined ambitions to achieve.



**Zuhair Akram Shaikh, ACA**  
Karachi

Bored at work? Prone to taking dangerous risks on the job? A control freak? Your genes may be to blame, argues American economist Scott Shane in his book *Born Entrepreneurs, Born Leaders* by analysing how our professional destinies are influenced by our genetic and hormonal makeup. Recently, researchers at Duke University, North Carolina, USA complemented, the idea put forward by professor Shane. The detailed longitudinal study of some 918 people from Dunedin, New Zealand, discovers a connection between the presence of specific genes and the achievement of better socioeconomic outcomes. "Your success is shaped by your genes; men and women who had certain combinations of genes were high achievers from an early age. Even coming from an impoverished family didn't halt their rise," the research suggests.

Most people easily accept the fact that genetics determine hair colour, height, eye colour and so on, but argue that genes aren't the whole story when it comes to understanding why as individuals we are the way we are. To them, non-genetic factors in social and physical environment clearly influence success. Beyond doubt, success results from the combination of innumerable factors, which interact with one another in a poorly understood but complex manner to mould an individual into a champion, nevertheless, performance is to be understood as 'the result of both training and genetic factors.'

In my opinion, although strong character and hard work helps get you where you are today, but genetic heritage also plays a significant role. It does not directly affect your life's path, but it influences your behaviour, your choices and your success. With a different genetic makeup, you might have ended up in another job or lifestyle. The science of this is irrefutable; someone lucky in the genetic lottery has a much better chance to do well.



**Haris Bin Mohsin, ACA**  
Rawalpindi

In the context of **The Pakistan Accountant**, I presume having been able to gain membership of ICAP is the success we are referring to here. Genes or no genes; I have few thoughts to share. No amount of training at a young age would have turned me into a Usain Bolt (Jamaican sprinter) – and not even 50,000 hours of singing lessons would have made me an Elvis Presley (American singer, actor). I have only become what I could. A rationalist would call it the gene factor. Some might call it fate. I have reasons to believe that success is a function of having a Specific, Measurable, Attainable, Realistic and Timely (SMART) goal and the drive to strive for it.

# Budgeting for Growth in a Downturn

by Babar Hashmi

## Introduction

Business planning for strategic goals requires the organisations to be adaptable and flexible to their environment. Tougher environments can weed out businesses which do not have a long term vision. Organisations need to make sure there are no systemic flaws in their business models or structural gaps in their organisations. Fitter/leaner organisations thrive and continue to post gains even in a sluggish economy. In such an environment, finance function's role is pivotal to move business with the right mind-set. Finance managers need to be on forefront of business decision making and assist in breaking barriers to growth. They need to have an innate ability to be innovative and find concrete solutions to optimise resources.

In this essay, I will discuss some of the most basic tips to focus on, and pitfalls to avoid when preparing budgets for growth in tough economic environment.





## Don't start the downward spiral

The worst thing a financial manager can do is to start working in isolation and attempt to create a financial fortress where growth is no more a priority. Business growth should drive sustainable Profit and Loss (P&L) health and not vice versa. Otherwise, a negative spiral can begin where fewer means result in lesser business and ultimately reducing business prospects.

This is not to imply to be careless and extravagant in resources allocations. The business need is to develop a shared outlook via good engagement. The company needs to have two-fold approach:

- Distinguish between 'nice-to-haves' and business growth drivers, so that investment is made where it matters.
- Look to be lean and mean and remove wastage from the system.

When the pie is shrinking due to external factors, hunting for market-share is probably the only way to survive. Businesses that will succeed in achieving this are going to come out of a downturn stronger. There will be tough choices to make naturally – however, the key will be to strike a balance.

## Recipe to strike the balance

### A. Operational excellence

Negotiate with suppliers on long term deals and rate cards – this way you create a win-win situation for your suppliers and yourself.

Product sourcing options: Make or buy decisions, see alternate, more efficient sources of products and materials. Sometimes, it may be cheaper not to outsource even if that means there is unutilised capacity.

Check overhead cost centers: This is the time to analyse and reduce wastage in operations. Spending some time and resources on this will lead to more than recuperate the investment.

### B. Commercial excellence

Distribution expansion: Before thinking new product launches, step back and first check if your existing ones are sold everywhere.

Pricing and promotions: Spend to gain topline – be courageous.

Availability of products: The sales forecast is the backbone of all processes. An accurate forecast will convert in revenues and product availability on shelf. It's about getting the basics right as businesses cannot tolerate lost sales due to internal inefficiencies or misalignments.

Careful product mix choices must be made: Business will bleed on some segments/products/categories. You make key bets on these because you recognise a potential. Similarly, the potential of profitable segments needs to be maximised.

### C. Cash is king

It is imperative to have a working positive cash cycle, and working capital to finance itself for the sustainability of business. This is one area where finance needs to be extra vigilant especially during a downturn. There can be no compromise on credit and over-dues. Many businesses default, not because of lack of opportunities and growth potential, but because they are not able to survive the liquidity issues created when economic environment takes a dip. Credit limits need to be reassessed based on fresh credit analysis, collateral securities to be ensured.

### D. Think digital

In the wake of the digital revolution, businesses must re-think their existing investments in business channels and communication plans. Need to brainstorm and analyse if there is a cheaper, faster and more digital solution available to access the customer and provide him with the solution he needs.

There is a need to have targeted communication initiatives. Traditional marketing is not only more expensive, it has far lower efficiency in terms of amount spent per customer accessed. If business does not re-calibrate their marketing investments between traditional and digital means, chances are that it will be very difficult to catch up with the fact changing business environment.

Another area business needs to assess is the e-commerce potential. This can lead to a whole new channel dynamics with faster access to end consumer.

### E. Revamp process and structures

- Re-think organisation design: See if it is optimal, or can be made more efficient. The idea is not to reduce headcount necessarily, but make sure the resource allocation is optimised and investments are made in the value adding functions.
- Look for and reward cost optimising and process improvement initiatives. Sometimes a wake-up/shake-up enhances efficiencies. The objective is to eliminate wastages and bottlenecks.

Surviving and rising to the challenge is never painless. The survivors of a storm are not necessarily the biggest or strongest, but often the most agile. Businesses are no different. It is the ability of an organisation to seize opportunities at the right time, and be flexible to change tactics in line with environmental shifts that will create a lasting impact.

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# New Leasing Standard IFRS 16 Leases

by Mohammad Shakeel



**O**n January 13, 2016, the International Accounting Standards Board (IASB) issued a new leasing standard IFRS 16 Leases. The new standard will be effective from annual periods beginning on or after January 1, 2019. Once effective, the standard will replace the following:

- IAS 17 Leases
- IFRIC 4 Determining whether an arrangement contains a lease
- SIC-15 Operating leases - incentives
- SIC-27 Evaluating the substance of transactions involving the legal form of a lease

## Who's impacted?

IFRS 13 Fair Value Measurement doesn't significantly affect lessor accounting, however, lessees will be greatly impacted.

Almost every company uses lease to use or get access to assets and therefore, will be impacted. The extent of impact will also depend on the extent of leasing arrangements. The larger the lease portfolio, the greater the impact on entity.

## What's changed?

There is a fundamental change in accounting for leases. Under current standard (IAS 17), lease is either classified as finance or operating leases depending on complex rules and tests. The classification then distinguishes between accounting models i.e. on-balance sheet model for finance leases and off-balance sheet model for operating leases. However, under the new standard, there will be no further classification of leases into finance or operating lease. Almost all the leases will be recognised on the balance sheet.

There is, however, an exemption to recognise lease on the balance sheet if the lease is for short term (less than 12 months) or the lease is for low value asset.

## Lease contract versus service contract

The new definition of lease has following elements:

- Right to control the use of
- Identifiable asset in exchange for
- Consideration

The new definition increases focus on who controls the asset and identifiable assets which determines whether the contract is leases or service.

Example: Company A enters into a five year contract with Company B (supplier) to rent a space for archiving its physical documents. Company B has the sole responsibility of managing the process of archiving and subsequent retrieval of documents. Company B also decides which area of the warehouse should be used to archive Company A's physical documents. Company A cannot interfere in that process. The contract is a service contract.

## Measurement

Lease liability: At commencement of lease date, lease liability is measured at present value of future lease payments. After initial recognition, lease liability is measured at amortised cost using effective interest method.

Right to use asset: At commencement of lease date, right to use asset is measured at cost. Cost includes the following:

- Lease liability
- Initial direct costs
- Prepaid lease payments
- Estimated cost to dismantle, remove or restore

Any lease incentive received is deducted from the cost. Subsequently, right to use asset is measured at cost less accumulated depreciation and accumulated impairment loss.

However, if right to use asset meets the definition of investment property, and accounting policy for investment property is fair value, then right to use asset is also carried at fair value. Similarly, if right to use asset belongs to class of property, plant and equipment for which revaluation model is used, then revaluation model may also be applied to right to use asset.

## Impact of financial reporting

A comparative analysis of financial position and income under IFRS 16 and IAS 17:

Example: Company A leases a car for a period of four years starting Jan 1, 20X1. The monthly rental is CU 1,000. The net present value of lease payment is CU 43,424. The lease arrangement qualifies for operating lease under IAS 17.

### IAS 17 – Impact on financial position and income

	Jan X1	Dec X1	Dec X2	Dec X3	Dec X4	Total
<b>Financial position</b>						
Asset	0	0	0	0	0	
Liability	0	0	0	0	0	
<b>Income</b>						
Operating lease expenses	0	12,000	12,000	12,000	12,000	48,000
Net profit	0	(12,000)	(12,000)	(12,000)	(12,000)	(48,000)

### IFRS 16 – Impact on financial position and income

	Jan X1	Dec X1	Dec X2	Dec X3	Dec X4	Total
<b>Financial position</b>						
Right to use asset	43,424	32,568	21,712	10,856	0	
Lease liability	43,424	33,366	20,629	11,681	0	
<b>Income</b>						
Depreciation	0	10,856	10,856	10,856	10,856	43,424
Interest expense	0	1,942	1,428	887	319	4,576
Net profit	0	(12,798)	(12,284)	(11,743)	(11,175)	(48,000)

**Impact on financial position:** Statement of financial position will grow with increase in both assets and liabilities.

**Impact on income:** Overall impact of income over the period of lease term is same. However, lease expense under IFRS 16 will be front-loaded i.e. higher expenses in early years and lower expenses in later year, even though the rentals are constant.

**Impact of financial ratios:** The impact of financial position and income means it will affect most of the commonly used financial ratios. For example:

- **Gearing ratio** will increase with the increase in both assets and liabilities.
- **Current ratio** will decrease due to increase in current liabilities.
- **Asset turnover ratio** will decrease with increase in assets.
- **Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA), Earnings before Interest and Taxes (EBIT)** will increase due to decrease in operating expense and increase in interest expense.
- **Earnings per Share (EPS)** will decrease in early years and will increase in later years.
- **Interest cover ratio** will decrease due to higher interest expense.





# Competent & Versatile

## How Professional Accountants in Business Drive Sustainable Organisational Success

### Foreword

Global recognition of professional accountants as organisational leaders and strategic partners in building long-term sustainable organisational success is the vision and central tenet of International Federation of Accountants (IFAC)'s Professional Accountants in Business (PAIB) strategy. To achieve this vision, IFAC needs to collaborate effectively with its members and associates to promote and contribute to the value of professional accountants working in commerce, industry, financial services, education, and the public and not-for-profit sectors. The PAIB strategy pursues two key complementary objectives:

1. increasing awareness of the important roles professional accountants play in creating, enabling, preserving, and reporting value for organisations and their stakeholders; and
2. supporting member bodies in enhancing the competence of their members to fulfill those roles by facilitating the communication and sharing of good practices and ideas.

**Competent and Versatile: How Professional Accountants in Business Drive Sustainable Organisational Success**, provides both IFAC and its members and associates with a common model for understanding and explaining how professional accountants drive sustainable organisational success, encompassing the public and non-profit sectors. It provides a resource to enhance the perception of professional accountants by defining and exploring the roles that they perform.

**Competent and Versatile: How Professional Accountants in Business Drive Sustainable Organisational Success** builds on the PAIB Committee's 2005 publication, **The Roles and Domain of the Professional Accountants in Business**. However, this new approach provides an analysis of the expectations placed on professional accountants by their employing

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organisations in the context of a rapidly changing business environment. The analysis is based upon eight drivers that have been derived from recognised frameworks to describe the widely recognised attributes of successful organisations. An employer-based view of the expectations of professional accountants is a demand-driven response to understanding the future roles and expectations placed on such professional accountants.

Highlighting the breadth of roles and characteristics of professional accountants and the expectations that will be placed on them going forward is intended to be useful in communicating to employers, professional accountants, governments, and regulators. Individual professional accountants might also find the approach useful in making their colleagues and employers aware of the scope of their competence, expertise, and potential contributions to driving sustainable organisational success.

## Overview

### **Competent and Versatile: How Professional Accountants in Business Drive Sustainable Organisational Success**

**Organisational Success** supports the global accountancy profession in making strides toward facilitating the development of sustainable organisations through the education, training, and development of professional accountants, and promoting their competence and versatility to their employing organisations. The publication examines the expectations placed on professional accountants and how they create, enable, preserve, and report sustainable value for their employing organisations in a rapidly changing economic and competitive environment.

Examining the future roles of professional accountants through the lens of organisational sustainability, and what is required to deliver economic, environmental, and social performance, this publication aims to help IFAC and its members and associates, as well as individual professional accountants, to increase awareness of the important roles professional accountants play in driving sustainable value creation. Such an approach will also assist in ensuring the acquisition and development of required professional skills, competences, and versatility among professional accountants in business.

Future expectations governing the way professional accountants will be expected to support the development of sustainable value creation are analysed in light of the emerging challenges affecting the organisation's environment, and eight drivers of sustainable organisational

success. These drivers have been identified to form the context of considering (a) how professional accountants can be positioned to support their organisations, and (b) the professional skills and competences they will need. This is a demand-driven response to understanding the future roles and expectations placed on professional accountants.

Sustainable development and the sustainability of organisations have become mainstream issues for politicians, consumers, and business leaders. From an economic, as well as an environmental and social perspective, sustainability issues are transforming the competitive landscape, forcing organisations to change the way they think about products and services, technologies, processes, and business models. Long-term sustainable value creation requires responsible organisations to direct their strategies and operations to achieving sustainable economic, environmental, and social performance. It also requires incorporating wider stakeholder perspectives and issues into decision making.

Ensuring that organisations pursue sustainable business models and development practices will require radical changes in the way they do business. Achieving a sustainable future is possible only if organisations recognise the role that they can and need to play. Effective action by the accountancy profession and professional accountants to better integrate and account for sustainability is an essential part of the response.

Governing bodies and organisational leaders should be focused on the long-term sustainability of their organisation, and they should be confident that their business models will deliver this. Professional accountants in all organisations have a significant role in framing business models; challenging conventional assumptions of doing business and redefining success in the context of achieving sustainable value creation; encouraging and rewarding the right behaviours; ensuring that decisions are supported by the necessary information, analysis, and insights; and ensuring that monitoring and reporting performance go beyond the traditional ways of thinking about economic success.





# The Needs of Society, Capital Markets, and Organisations

Ensuring that organisations pursue sustainable business models and development practices will require radical changes in the way they do business.

## The Needs of Society and Capital Markets

The financial and economic crisis that started in 2008, and the uncertain path to recovery for many countries, is of overwhelming significance for governments, regulators, and financial markets—likewise, for public and private sector organisations and the professional accountants they employ. The crisis and its aftermath bring into focus substantial challenges, most notably:

- moving to a model of sustainable economies and corporate responsibility, where organisations pursue more sustainable strategies and actions and take into consideration a broader range of stakeholders;
- balancing the need for compliance with the need to remain competitive within an increasingly global economy,

which involves delivering adequate returns in the short- and medium-term while developing an organisation's drivers of sustainable organisational success;

- developing stronger risk management and control functions that incorporate a better understanding and management of systemic risk and facilitate greater oversight of these risks by governing boards and management, and national and international regulators; and
- ensuring the long-term affordability of public services and their ability to meet changing population age profiles and rising expectations on services, such as education and health. There is also increased emphasis on the accountability and transparency in governments and other public sector organisations.

The current environmental, social, and economic uncertainty, including the continuing presence of systemic



risk (driven by risk factors such as sovereign debt, weak housing markets in various major economies, global inflationary pressures, and increasing interest rate expectations), puts into the spotlight those core issues that need to be addressed, and necessary actions to foster sustainable economic growth. These include (a) more effective leadership and governance of organisations, regulation, and oversight, as well as (b) more effective political and organisational infrastructures and processes to minimise the risks associated with globalisation and to ensure inclusive growth, particularly in emerging economies.<sup>1</sup>

## The Needs of Organisations and Their Governing Bodies

Sustainable economies depend on the long-term success of organisations, which requires organisations to direct their strategies and operations to achieving sustainable, or long-term, economic, environmental, and social performance.<sup>2</sup> This will involve integrating sustainability into their mission, goals and objectives, strategies, management and operations, definitions of success, and stakeholder communications. Success will also require an underlying resilience and flexibility within the organisation to be able to cope with the unexpected and with changing circumstances.

The importance of Small- and Medium-sized Entities (SMEs) in the global economy reflects the impact of changing business models and future trends through greater fragmentation and diversification of value chains. These macro developments are likely to have a significant impact on the role of professional accountants, as an even greater proportion of professional accountants in the future are likely to be employed by smaller organisations, especially in emerging economies.

What sustainable success means for a smaller organisation will vary. For some, it will mean building a business that can be passed on to the next generation or sold off so as to yield funds for retirement. Others may wish to build a business to the point where it can be floated in a capital market. As with larger organisations, sustainable success in smaller organisations will also depend on economic, environmental, and social performance.

A narrow focus on financial performance, such as short-term earnings and profits, at the expense of social or environmental performance can result in a loss of trust in an organisation and damage overall performance, resulting in value destruction for all stakeholders, and, in some cases, losing its license to operate. Issues of human rights; corruption and bribery; non-compliance with labour and environmental standards and responsibility; and discrimination in respect to employment and occupation can be as important to the long-term prospects of larger, publicly owned organisations, as well as to smaller organisations.

For public sector organisations, public value creation needs to balance the equitable treatment of all stakeholders with service standards, efficient and effective financial

management, and the long-term affordability of the service provided in the context of future demographic trends. In many cases, decisions are made as a result of democratic choices or through political mechanisms.

For all organisations and their governing bodies, achieving sustainable success hinges on taking a long-term perspective. A key message from the Chartered Institute of Management Accountants (CIMA)'s report **Building World-Class Businesses for the Long Term: Challenges and Opportunities** is that executives face two daunting challenges as they embrace the value of long-term thinking in creating sustainable organisations.<sup>3</sup> Firstly, the need for short-term results can distract managers from their long-term vision. Secondly, defining the long-term and embedding it into operations in a meaningful way can be complex.

Although short-term needs cannot be ignored, governing bodies and professional accountants need to recognise that some short-term pressures distract from the long-term vision. These include poorly defined performance targets and decisions focused on short-term earnings performance (see **Shifting to a Long-Term Perspective**).

## Shifting to a Long-Term Perspective

According to Dominic Barton, global managing director of McKinsey & Company, there are three essential elements of the shift to a long-term perspective: "First, business and finance must jettison their short-term orientation and revamp incentives and structures in order to focus their organisations on the long term. Second, executives must infuse their organisations with the perspective that serving the interests of all major stakeholders—employees, suppliers, customers, creditors, communities, the environment—is not at odds with the goal of maximising corporate value; on the contrary, it's essential to achieving that goal. Third, public companies must cure the ills stemming from dispersed and disengaged ownership by bolstering boards' ability to govern like owners."<sup>4</sup> —Harvard Business Review, March 2011

Professional accountants will need to be positioned to help ensure that strategy effectively connects short-term actions with long-term aspirations and sustainable business success. Professional accountants will also need to be sufficiently competent and versatile in all those areas and functions in which organisations strive for excellence. This publication uses eight drivers of sustainable organisational success that are widely seen as being the most important focus areas for achieving organisational success and for enduring stakeholder as well as shareholder value.

### References:

- 1 See the World Bank's definition of inclusive growth.
- 2 See IFAC's Sustainability Framework for more information.
- 3 CIMA, *Building World-Class Businesses for the Long Term: Challenges and Opportunities* (London, 2011), [www.cimaglobal.com/Documents/World\\_conference\\_2011/Reports/World\\_Conference\\_report.pdf](http://www.cimaglobal.com/Documents/World_conference_2011/Reports/World_Conference_report.pdf). Additional information available in Insight (June 2011) and CIMA's Thought Leadership web page.
- 4 Dominic Barton, "Capitalism for the Long Term," *Harvard Business Review*, March 2011, <http://hbr.org/2011/03/capitalism-for-the-long-term/> ar/1.

# Accounting Research

by Altaf Noor Ali

Somehow, I have been fascinated by research all my life. Not only do I enjoy absorbing the latest research, but doing it as well. But since what I do may not meet the established and rigorous benchmark for a research study, I would call it a critical study rather than research.

My fascination with research since childhood must have been because of my parents.

I saw my physician father apply the latest research available for saving hundreds of lives in his active career. Indeed, I saw my father going through a lot of medical journals browsing with some sense of urgency about the latest research insights and its local application into treatment of many common ailments of his patients.

To this day, he takes so much pride in describing how he as incharge of a medical team during 1965-70 was able to save many lives by preventing an expected cholera outbreak at the annual *Urs* (celebration) of a religious figure. A densely populated gathering of families from many different parts of Sindh used to visit and stay in temporary camps for two to three peak days. There was a heightened risk of a cholera epidemic because of polluted water.

My father's limited but dedicated medical team was on the field, alert and making themselves available to spot any threat to the overall population and take measures such as through the latest vaccination that were made available, and by making available safe water and sewerage flow.

Applying the research findings of preventing outbreaks in other parts of the world, the medical team was able to prevent outbreak at the shrine which had claimed hundreds of lives in previous episodes.

Second, my mother was no less as a science graduate (chemistry) to be another role model for us. She taught me to be bold enough to use experimentation as a part of research.

From these personal role models, I am convinced that the research is painstaking but it is a source for creating new knowledge or affirming the existing facts. It may result in learning or discovery or both, the purpose of which is to understand better.

Coming back to the profession of accounting, my own sense of regret is that as chartered accountants we are not taught to do the systematic, qualitative and quantitative research in our studies, in areas such as accounting, auditing, tax, corporate governance, etc.

I can understand that there is so much to learn during the training period, both theoretically and practically that our policymakers probably never thought of introducing any kind of research as a part of our qualification.

As professionals, we may all have an appetite to learn the latest continuously about diversified fields such as organisation, internal controls and procedures to strengthen accountability, using technology for real-time data or communicating facts through financial and non-financial information.

What we lack is the methodology to conduct research on our own, and I consider it to be a fundamental flaw in our training and experience. The research we refer to may not be relevant in our conditions and circumstances. It may not be undertaken exactly the way we would like it to be. However, it would not be right to say that we lack resources. I think our institutions are yet to appreciate the utility of research undertaken locally to address the issues that we face as professionals in the fields of accounting, auditing, and fields related to our spheres of competence.

Our indigenous research will start with defining issues, asking the relevant research questions and digging out ways to address it. By all means, we should benefit from research of others. We have readily adopted the standards developed by the International Accounting and Auditing Standards (IAAS) defining institutions since their inception. However, let our Council debate if by developing our own student and membership base well-versed in the matters of conducting research, we would be strengthening their skill base directly. The best way to move forward is to get started.

# Digital Learning Tools v/s Traditional Ways

by Dawood Ahmad



The disruptive power of digital learning tools and resources is hard to underestimate. How is this impacting our traditional ways of acquiring knowledge? Are opinions formed in isolation, or within closed communities, a threat? And what should be the role of the teacher when every piece of information is just a click away?

Digital tools are breaking the yoke of limitations that are clamped with the traditional ways of acquiring knowledge. An aspirant, keen to acquire knowledge from an institution via traditional route, requires a nearby residence, an aptitude to follow schedules, adequate funds, and proof of already acquired knowledge to become eligible. Further, being eligible doesn't guarantee a forward step towards his aim; he must have good fortune too, to have his name exhibited on the admission list.

Today, world's finest universities are offering diversified courses through digital channels. Time, dedication and access to an appliance are only perquisites for gaining knowledge in an intended field of study. Thanks to technology, the generation of 21st century has witnessed the true spirit of words, 'Knowledge for All', learned by mankind since its evolution. Critics emphasise on the importance of student-teacher interaction in a classroom, but now we have discussion forums for discussion tables, cyber rooms for classrooms and webinars for seminars.

Opinion in isolation is another constraint of traditional medium. Consider a class of a strategic school, situated in a small town, discussing causes of cold wars and their impact on global economy. Should we expect to receive an exemplary opinion from this class? The answer is 'No', because this discussion lacks a conducive exposure. These solitary opinions, which are no doubt a threat, originate national differences and might be a reason behind formation of different school of thoughts on identical topics.

Teachers of this era must link themselves with digital tools for producing global and model opinions. The role of teachers, who are connected with these tools, is magnified from 'one for few' to 'one for everyone.' In digital world of resources and information, they exist everywhere and in every single bit. We may not know them but behind every click, there is a teacher.



# Should Professional Accountants Care about Culture? Yes!

by Pauline Schu



**E**xtensive rules and procedures alone are not enough to ensure appropriate conduct in the work place—the financial crisis of 2008 illustrated this.

We believe that a healthy culture is a prerequisite for corporate governance and risk management to be truly effective. Without it, the effectiveness of regulations and codes will always suffer.

But what exactly is 'culture'?

Culture shows in the way things get done, how a company manages its operations and staff. It is about what is seen as important and appropriate. Culture is about how people behave when no one is looking.

Appropriate conduct is about the behaviours that support an organisation's objectives over the long-term, as opposed to those that go against what the organisation is seeking to accomplish, those that lead to accidents, destroy value, and end up in financial and reputational loss. Examples in the UK that come to mind include the mis-selling of a wide range of financial products to businesses and individuals or instances of market manipulations but there are similar examples elsewhere in the world. These are dysfunctional corporate behaviours.

Academics have long argued that when a culture is strong and widely shared, it becomes a determining driver of behaviour and a durable enabler of internal control. How culture directly influences behaviour is not, however, fully understood. To contribute to the debate, Association of Chartered Certified Accountants (ACCA) has conducted an international study based on qualitative and quantitative research—**Culture and Channelling Corporate Behaviour**.

## The Influence of Leaders

When we asked our global membership about their views on the drivers of corporate behaviour, more than 60% of those who responded thought that tone at the top was the most influential. By contrast, 20% said financial and non-financial incentives were most influential and only 10% thought rules and procedures had most influence.

These responses indicate that corporate leadership plays a significant role in driving staff behaviour, and it does so by embedding and promoting organisational values. In other words, by 'walking the talk' and being accountable for their own actions.

## The Role of Performance Management

The findings from our survey also highlighted how performance management considerably impacts behaviour.

Although, half of the respondents agreed or strongly agreed that performance-related pay schemes help foster the best possible performance, nearly two-thirds (65%) also suggested that such schemes may lead people to exaggerate or otherwise falsify their performance measures.

Over the past 30 years, target-based performance management has become a standard practice in many organisations. Corporate leadership should, however, be aware, of unintended problems arising when pay is closely linked to performance targets. Our previous research highlighted examples of cases where staff would either come up with measures they can easily achieve, or they would fabricate their results in order to reach their targets but at the expense of quality.

## Motivation and Incentives

It may be that we are overestimating the actual impact of financial incentives. For more than half of our survey respondents (all ages, industries, and locations considered), recognition was highly motivational while earning more money was a motivation for just about a third of them.

Our findings suggest that simple monetary reward is not necessarily the strongest motivator; receiving better recognition or more challenging work were cited ahead.

## What's in it for Accountants?

While much work is still required to directly link culture to corporate behaviour and more evidence is needed to understand how this influences performance, we think that it is important for professional accountants to address and adapt to these issues and ideas.

In our last edition of **Accountants in Business**, ACCA president Alexandra Chin says that finance professionals have a "vital part to play" because of their "almost unique, overarching view



#### 4. Allow new ways of working using technology to flourish:

Social learning using technology needs to be encouraged from the top.

#### 5. Rethink succession planning and talent pipelines:

Fluidity in the workforce needs to be matched with active talent management programs.

#### 6. Harness millennials' digital savvy:

Use them as change agents in the organisation.

#### 7. Think diverse, global talent pools:

Tap into the internationalism of the generation when considering your skill pool.

#### 8. Manage expectations, have career conversations:

Line managers need to engage with employees honestly.

#### 9. Rethink engagement:

Monitor the effectiveness of your reward and talent management programs actively.

Some of these may be challenges for employers, particularly smaller organisations unable to offer retention incentives such as global secondments or fast-track promotion. Addressing these in flexible ways will enable them to succeed in satisfying the generation's aspirations.

Whatever this, and the generation after bring, one thing is for certain—the world will always need highly skilled professional accountants, and it is the role of educators and professional organisations to support all generations to build and maintain those skills.

# Accountants are Going to Save the World

by Berry Wammes

During a storm in the Pacific Ocean in 1992, a sea container with 28,800 rubber ducks fell overboard from a ship travelling from China to the US. The toys were carried by winds and ocean currents, and eventually washed up on shores in North America and Asia. Some of the

rubber ducks drifted into the Bering Sea and froze into the polar ice. Over ten years later, one of these ducks washed up on the Dutch coast. It appears the duck was able to belatedly continue its journey due to melting ice in the polar region. As a result, the toy became a plastic symbol for climate change.

This story was told at Netherlands Spring Tide Forum in September 2016. The forum claims to be a guiding light toward a green future and, for many years, has been attended by a wide range of entrepreneurs, environmental activists, scientists, politicians, and an increasing number of bankers and investors. This is because sustainable financing has become more than a niche market, and the green and blue sectors in our society are becoming increasingly interwoven.

It was also pleasing to see how accountants and their representatives were warmly welcomed to this year's edition—something you won't always encounter elsewhere. Quite a few people shared the view that "accountants are going to save the world," as claimed by Peter Bakker from the World Business Forum for Sustainable Development. Why? Because, as entrepreneurs and investors stated, even though the world is awash with money, with around 2300 billion EUR available for investment in the Netherlands alone, too little of it actually gets invested.

Sustainability is an increasingly important criterion, but many investment opportunities appear to conceal a lot of risks on this front, for instance, when it comes to stranded assets, i.e., fossil reserves that can suddenly decrease in value, or circular business models and the accompanying long-term obligations and risks. Banks and pension funds are hesitant and governments remain reticent, despite ambitious objectives for the energy transition. In this case, a lack of knowledge and insight into actual risks is an important factor. So, there are reasons enough for protectors of the environment and financiers to welcome accountants with open arms.

And also reasons enough for the accounting profession to step up our efforts in developing integrated reporting and integrated audits, and testing the robustness of accounting and auditing standards in new business models. The aim is to gain an insight into actual risks on the balance sheet. A new type of economy is being formed, where accountants have another opportunity to demonstrate their relevance. And this is an opportunity we cannot afford to miss.

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# Late Sittings:

## Dedication or Inefficiency

by Muhammad Ahsan Abdullah



From the very first day of stepping in to the firm, I was one of those who, despise sitting late in the office, considered it a product of mismanagement. It was never due to lack of dedication or motivation towards my work, but simply a ritual of doing the right thing at the right time which consequently eradicates the idea of sitting late in the office.

So, my first client was a real treat for me. There were no late sittings, everybody followed their schedules, finished their tasks on time and leave on time. What a heaven that was. However, that didn't last long. Soon, I was posted to another client who was quite the opposite of what I have yet experienced. There was no time structure, employees were overloaded with work and there were almost no informal interaction among the employees. The employees used to work late nights even on their daily routines and look with astonishment when asked about going home on time. And I realised that the only difference between my current client and previous one was the fact that employees in the previous one used to come on time with an enthusiastic and energetic attitude.

It's not that late sittings are a trademark of dedication rather, I still think, it's inefficiency. Most of the people in firms find this thought to be a delusion and characterise sitting late in office as a signature of his/her dedication towards his/her work. Even the bosses attribute sitting late in the office to dedication, where only a few proceed to consider why the employee was not able to complete task on time during regular office hours. While this may be the perception of many, working within the office hours and going home on time and having a quality time with friends and family doesn't actually constitute to be a lack of dedication towards work.

I know many quotes saying no one gets rich working 9 to 5, or inspiration doesn't work 9 to 5 etc. Truth to be told, we all have 24 hours in our day, but the inspiration stems from the approach to manage these 24 hours. I saw people blaming the workload for late sitting but I never saw them ever getting out of it, the truth is, that your work will never end, you will have to make an effort to make it end.

Start your day with the name of Allah, the easiest and probably the most important rule which can make you work more efficiently. Now, this may seem like its taking you towards more work, but in fact, it only means if you come to work on time, you will go from work on time. I practically noticed that people who are always there on time, always get their work done on time. After all, even our creator said in the Quran that give everything its due share.

It is rightly said that some people work to live and some live to work. Chartered accountancy is no doubt the peak of accountancy profession all over the world. So, a person who has set out or reached such peak should be exhibited as a role model to others. We should portray ourselves as a hard worker, as well as a person who values and enjoys relations and relishes the pleasure of life and nature.

# It's Not ICAP, It's You

by Muhammad Waqas

**T**his article is based on my personal opinion/experience. And I can still vividly recall my early days at ICAP as a student, in particular, the early orientations and opinions of the student fraternity, where as much as a glittering corporate career was portrayed, our minds were also littered with many misconceptions about how the Institute operated. Here is a quick list of scapegoat comments I can recall:



- Chartered Accountancy is extremely difficult and very few people survive it.
- It requires 14 hours of study and your social life is compromised.
- There is a pass out ratio of less than 5 percent which is rare for any qualification.
- ICAP follows a quota system for its results and it fails students on purpose.
- ICAP's study material is obsolete and outdated.
- Other international accounting qualifications are better.
- There is no logic of keeping certain courses in the syllabus.

The moment you start listening (not hearing) to these comments, is the moment that starts shaping up your environment and ultimately governs your performance which you are not able to realise. You will start:

- Finding subjects difficult.
- Every difficult question would make you fearful.
- Running out of time or having that feeling that time is insufficient for the syllabus.
- Your mindset would be, 'How to make sure I don't fail.'
- Finding people who have failed (to justify the fear and image you have developed).
- Paying more attention to the overall percentage results than your efforts.
- Comparing syllabus and exam schemes with other certifications and exams and how they are better.

- Sitting in front of your study table wasting hours.
- Discussing what ICAP needs to do to make student pass.

The moment these thoughts are ingrained in your system, your environment will concur and present the same in your performance. You will start justifying yourself and you will pull up a thousand reasons as a scapegoat as to why you did not clear the exam. Here is what you need to do:

#### ▪ **Keep your environment clean**

Our environment primarily determines what we think, which eventually

determines what we do. Therefore, stay away from the negative people, be around people who talk about getting to the next level rather than finding reasons as to why you cannot succeed.

#### ▪ **Self-Image**

See yourself becoming a chartered accountant and develop the self-belief that with your talent and abilities, and your hard work you can achieve about anything. Do not wish for the brilliance of the most talented student in your class to achieve your target. Accept yourself and you will find a way.

#### ▪ **Have a mantra**

It is very easy and normal to lose focus not only in academics but in real life as well. Keep reminding yourself with the mantra

'What needs to be done' to stay in the present and rationalising every step you take by being in the present.

#### ▪ **Accept your failures**

There is a difference between failing and being a failure. Remind yourself that when you fail, it does not mean that you are not good enough; evaluate as to what needs to be done which you haven't.

#### ▪ **Be around chartered accountants**

Be the change you wish to see. Be around CAs; observe what they talk about, what they do, how they behave. Observe every minute detail and try to incorporate it in your game.

#### ▪ **Be flexible**

Sometimes you have to deliver 90% to achieve success, sometimes a 50% performance is good enough. Stay flexible, observe and focus what needs to be done in a given situation.

#### ▪ **Self-management**

Know your strengths and weaknesses, plan your leisure and work on terms that suit you the most.

#### ▪ **Accept ICAP**

Accept ICAP as a fair system, which it is, and focus on your efforts.

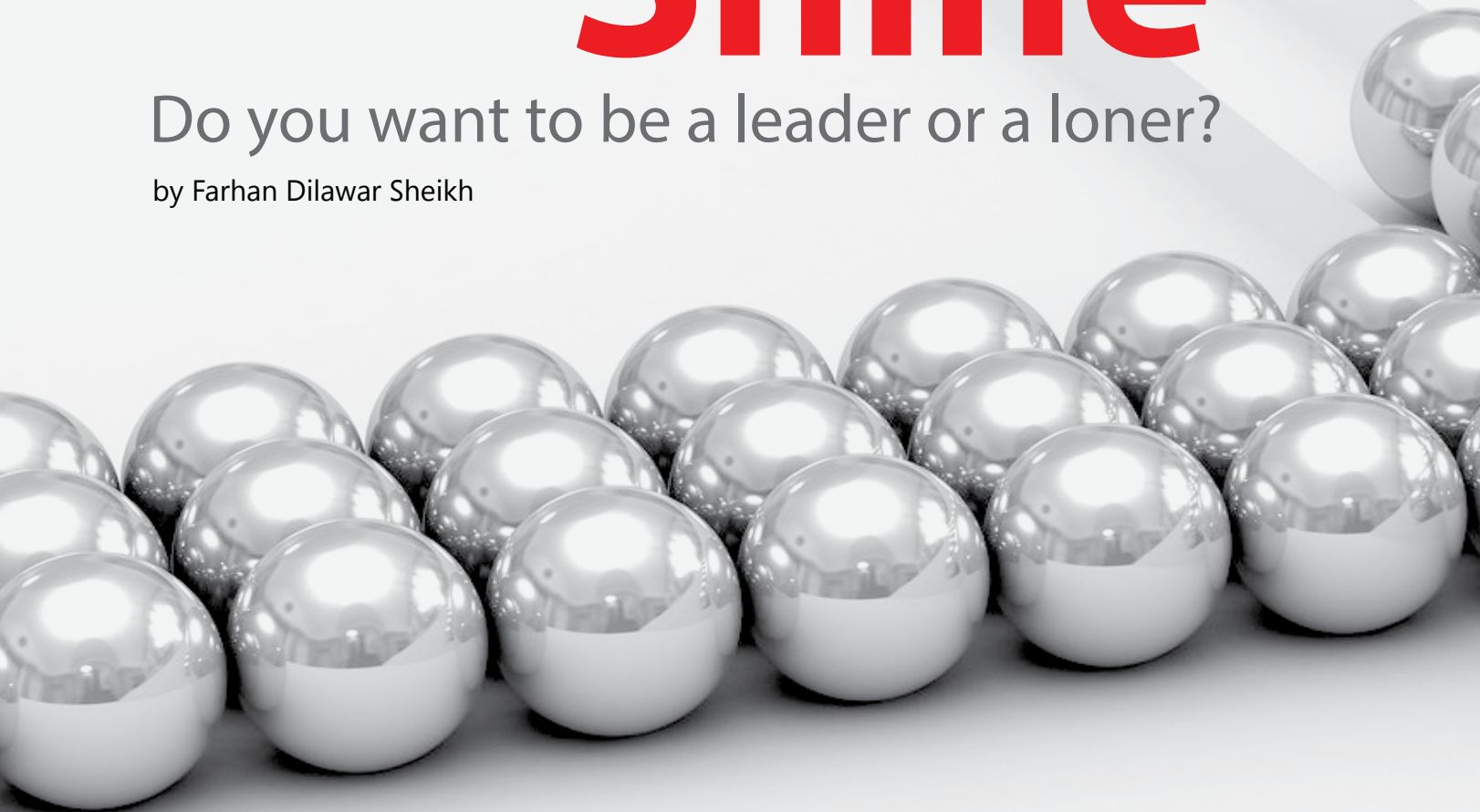
A good part of producing chartered accountants does not entail only producing the most technical candidates, it is about developing mindset and personalities that can fit in the shoes of a chartered accountant in practice or business, carry its image and deliver on its responsibilities. Hope this helps you.



# Together We **Shine**

Do you want to be a leader or a loner?

by Farhan Dilawar Sheikh




It happens quite often with most of us that when there is some function or an event in our office or anywhere else which requires teamwork, we find ourselves ill at ease. If we are not involved in any activity, we are more than happy but if we have to participate in public or in a group, we get confused, nervous and lack confidence which results in lack of the required devotion and enthusiasm that the event demands. Eventually, we try to avoid participating in activities and keep ourselves away from such events.

Why aren't we sometimes willing to participate in teamwork or in an event in which we are supposed to chip in actively? How can we get rid of such an attitude? How can we give our best in teamwork? Well, there are always ways of overcoming any problems, and things are no different in this case. So, let's consider a few tips that will help you out.

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At the end of the day, it really doesn't matter why we failed as a team, what matters is that our team failed and thus, we failed too.

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**Why aren't we sometimes willing to participate in teamwork or in an event in which we are supposed to chip in actively?**

**By accepting and appreciating others, you can break down barriers between yourself and others that kept you restricted and disinterested in working well as a team.**

#### **Acknowledge others' efforts**

To some, what others do is not important, at least not as much as their own efforts. However, recognising and appreciating the efforts of others is one of the leading requirements when it comes to working in a team. Accept generously and appreciate the efforts of other members in your team. A few words of appreciation will do wonders to the confidence of others. When you acknowledge their efforts, they will be delighted and willing to appreciate and support your efforts as well. But do make sure that the acknowledgement is genuine and not flattery as that is sure to become obvious.

Everyone deserves to be appreciated for whatever contributions he/she makes to teamwork. If there is no appreciation, it is likely that the team members will become disinterested in the work. And if there aren't any good efforts, then one should keep in mind that each person has different capabilities, so appreciate even those who make a small contribution to the project, as long as they did try to fulfill their roles.

#### **Become involved**

Once your team members are motivated, it is most likely that all of you will become fully involved and will do your portion of the work wholeheartedly. Participate and contribute in a meaningful way.

By accepting and appreciating others, you can break down barriers between yourself and others that kept you restricted and disinterested in working well as a team. It's only after this that you will start enjoying your participation with your

**Success as a team will only come when your combined strengths are more than your combined weaknesses.**

team mates. Inspiration and exciting ideas will also flood your mind and the creative vibes will surely touch everyone.

### **Share and shine**

Knowledge, happiness and ideas get multiplied when you share them with others. Listening to your ideas and witnessing your creativity, it is quite possible that your team members would also come up with something new. And together, as a team, you all will come up with something worth being proud of.

### **Jealousy leads to jeopardy**

If your colleagues are shy for any reason, ask them cordially to get involved; and if they are already involved and giving their output more enthusiastically than you or doing better than you, don't get jealous. Your jealousy will only burn you.

Be optimistic but not jealous, because if your team member is doing much better than you, it is going to have a good result on the project you are all doing together. And ultimately you will also benefit from a task done successfully, as will everyone else in the team, no matter who had contributed more to the work.

However, if another team member is jealous of you, you just need to be very careful but not worried. A little stubbornness in your attitude may give others an impression that you are proud. Once the impression as proud has been conceived about you, the work will not be undertaken very enthusiastically by others.

So, never show a haughty attitude. Be friendly and cooperative to your colleagues. Your humbleness, positive and cooperative attitude will drain away all negative feelings from the minds of your mates and you will enjoy cordial relationship with them.

### **Patience pays**

It is a fact that every human being is different from others not only physically but in nature as well. There are people with cooperative, rigid, polite, rude, jealous, etc, attitudes. Just accept the fact that no human being is flawless, everyone has weaknesses and so do you. So learn to accept people with their weaknesses as well as strengths.

Success as a team will only come when your combined strengths are more than your combined weaknesses. So it is wiser to help others overcome their weaknesses and make better use of their strong points when in a team. Be patient and learn to forgive.

### **Meet your deadlines**

Now that's something really significant. You are undoubtedly supposed to meet your deadline for the given job. If you procrastinate and don't meet your cut-off date, mind it, you are the offender! It'll give vent to undesired and negative impression about you among your colleagues.

### **Undue criticism hurts**

Criticism is a critical issue. Healthy criticism given in a constructive manner will be taken in the right spirit by most people but harsh criticism only hurts. When we unduly nit-pick and bring to light our team member's misconducts and faults in front of everyone, we are making them embarrassed and hurting them.

After this, we can't expect them to be happy working in a group with us, which will most likely jeopardise whatever we are doing together. At the end of the day, it really doesn't matter why we failed as a team, what matters is that our team failed and thus, we failed too.

Try not to bring to light the faults of others and if it is too important to point out, then speak in isolation to the person concerned. In this way, that team mate will remain optimistic and never get hurt. Or you may also share the fault of the person in a general discussion by not pointing out that person specifically. Such courtesy when working in a team is very important in getting the job at hand done successfully.

While many individuals shine in individual activities but when in a team, they seem lost and often lose. A successful team member is most likely to be a successful leader too. So do you want to be a leader or a loner?

**Knowledge,  
happiness  
and ideas get  
multiplied when  
you share them  
with others.**



**Just accept the  
fact that no  
human being is  
flawless, everyone  
has weaknesses  
and so do you. So  
learn to accept  
people with their  
weaknesses as  
well as strengths.**





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April - June 2017

Magazine of The Institute of Chartered Accountants of Pakistan



**ICAP**

**ELECTIONS 2017**

**vote**

**CA**  
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Signature Qualification  
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# VOTE



**ICAP**  
**ELECTIONS 2017**



## Zone A - Southern Region

# Council

### 13 Candidates

1. Ahmed Raza, ACA
2. Ashfaq Yousuf Tola, FCA
3. Farrukh Rehman, FCA
4. Hina Usmani, FCA
5. Khalid Rahman, FCA
6. Khalilullah Shaikh, FCA
7. M. Sharif Tabani, FCA
8. Muhammad Samiullah, FCA
9. Nauman Ahmed, ACA
10. Rashid Masood Alam, FCA
11. Riaz A. Rehman Chamdia, FCA
12. Shoaib Ahmed, FCA
13. Syed Najmul Hussain, FCA



**Ahmed Raza Mir, ACA [R-5610]**

The Institute of Chartered Accountants of Pakistan (ICAP) from its very inception in 1961 has maintained high standards of professional ethics, performance and professionalism. Being the premier regulatory body of accounting profession in Pakistan, ICAP has played a key role in the development and regulation of accounting profession. ICAP's seamless reputation of being an effective professional body has been acknowledged by all trade and industry, the Government and the general public at large. It is indeed an honor and a privilege for me to be contesting this year's election for membership of the ICAP Council.

Ladies and gentlemen, my name is Ahmed Raza Mir. I qualified as chartered accountant in 2009 (with membership number 5610). Currently, I am the Principal at ARTT Business School (entrepreneur) which is having the highest number of Chartered Accountancy students in Pakistan right now. Being a teacher of accounting and business finance I have taught more than 10,000 students of ICAP. I completed my articles with KPMG (Karachi). My last professional assignment was as CFO and Company secretary of PICIC Asset Management Company. Before this I have worked with Arif Habib Investments Limited as Vice President and with UBL asset Management Company as Manager Finance. Besides being a qualified chartered accountant I have been associated with CFA as a candidate.

My journey from bakery boy in LYARI to a Chartered Accountant, then to one of the most privileged position of leading a Financial Institution (CFO) and then all the way to building a CA college and reaching at a position to have the highest number of students of CA profession, is one heck of a ride. I am thankful to ICAP which fueled and directed my pace to get the best out of all opportunities. My hard word, dedication and untiring attitude have led this growth.

My dear fellow ICAP members, we as chartered accountant play very important role in the development of our country. We, as members of the ICAP, have not only helped companies improve their financial, social, and environmental performance but have also been change agents in the growth of business and industry in Pakistan, for which the credit goes to you all. We all should take pride and thank Allah Almighty for giving us an opportunity to play this role.

However, we should not feel contented on our past achievements. Our profession is facing more and more challenges with each passing day. We, therefore, need to continuously work hard for the betterment of our profession and our country. Due to modern technology and new businesses, accounting profession is facing new threats and challenges that could create obstacles to the future of accounting profession in Pakistan. As ICAP members, it is our duty to help deal with them and work selflessly for the growth of our profession and betterment of all members and students.

With your vote I shall work selflessly the betterment the profession, for adding more value to our qualification and for creating better newer and better avenues for personal and professional growth of all ICAP members.

I shall perform my duties with total honesty, integrity, sincerity of purpose total dedication and commitment. Some of the areas where I shall focus as part of ICAP council member are:

- Continuous growth of the accounting profession
- Prepare effective strategy for meeting the new challenges to profession from competing local and international qualifications
- Make publications wing more effective by providing regular and timely updates to the members using new technology such as mobile apps.
- CPD Program needs to be revamped, with a view to impart knowledge and skill relevant to each member. The focus needs to shift away from general to need-based specialized program.
- Members of the ICAP are a fraternity. Their staying in touch with each other is the most valuable assets for their personal and professional growth. I believe the events and gatherings, both professional and personal in nature, should be more frequently held under the umbrella of ICAP
- Creating awareness about the profession and attracting bright students to the profession is absolute need of the day. The passing ration of students in the recent ICAP results indicates that CA is perhaps not the first choice of bright and intelligent students.
- International penetration of CA Pakistan in foreign country will add value to the qualification and create new markets for jobs. I intend to work towards the goal of making CA Pakistan not just a local symbol of prestige and honor, but also take it to foreign countries. Our current penetration is limited to only few Middle Eastern Countries. We should extend the reach and make foothold in many other countries including Central Asian countries, North African countries such as Egypt and a host of other Asian country.
- In the globalized world, newer means of doing and recording business are coming up each day, posing greater and unseen challenges to the profession. We need to visualize the challenges and brace for them in advance if our profession is to grow and sustain its central role in development of the country.

Thank you very much for taking time to read my statements. I assure you of full dedication, hard work, and cooperation with you for growth of the profession and solving your individual problems if Allah Almighty gave me the chance.





**Ashfaq Tola, FCA [R-1920]**

### Professional Profile

- Fellow Member of the Institute of Chartered Accountants of Pakistan
- Member of the Institute of Cost & Management Accountants of Pakistan.
- President "Tola Associates" (Present)
- Served as Senior Partner at "Naveed Zafar Ashfaq Jaffery & Co" Chartered Accountants a member firm of PrimeGlobal International from April 2012 to March 2017
- Served as Partner at "Nasir Javaid Maqsood Imran Ashfaq", Chartered Accountants from 2011 to March 2012
- Served as Principal Strategic Officer at Stallion Textiles (Private) Limited which is one of the largest single shed textiles spinning Industry in the world
- Served as Chief Executive Officer from 2000 to 2007 at Fincon. Fincon was a self-employed Financial Consulting Entity and had a diverse portfolio of clients in different spheres of business activities
- CEO Interfund Group from 1993 to 1999
- Served as Chief Internal Auditor at National Development Leasing Corporation (NDLC). Presently known as NIB Bank and formerly part of elite business group i.e. Umer Group.

### Key Achievements

- Given Presentation to IMF and World Bank Team on 'Single Stage Sales Tax' in December 2015 on behalf of Government of Pakistan ("GOP").
- Visited Turkey as an official of GOP to study Turkish Tax System and authored a report on Turkish Taxation System.
- Knowledge of 40 Jurisdictions around the Globe to co-author with Dr. Hafeez Pasha on Sindh Provincial Taxation System

### Key Positions Held in the Governments

#### Department

- Member Board – Privatisation Commission, Government of Pakistan – (Present)
- Member Board – Sub-Committee on Taxation for promotion of Islamic Banking Ministry of Finance, GOP(Present)
- Member Tax Reform Implementation Commission, FBR (Present)
- Member Tax Reform Commission, FBR (2014-16)
- Member Tax Advisory Council, FBR (2014-16)
- Member Taxation Reform Co-ordination Group, FBR (2011-12)
- Member Revenue Advisory Council, FBR (2011-12)

### Service to ICAP

- Served as Secretary of Regional Committee (Southern Region) – 1996
- Chairman CASA in 1995 and helped students in Study Planning & Examination Techniques
- Conducted refresher courses of students in the year 1993-94
- Served as Member Education and Training Committee (1994-95, 95-96, 96-97)

- Member Technical Services Committee, (1992-93, 93-94)
- Well versed with the requirements of CA Ordinance, CA Bye-Laws, Directives of the Council and all the matters relating to membership of the Institute.
- Member Taxation Committee (Since 2015)

### Service to other Organizations and Professional Bodies

- Secretary of Karachi Branch Council ("KBC") of Institute of Cost and Management Accountants of Pakistan ("ICMAP") (1995, 1996)
- Elected Member KBC and Convener Seminar and Publication Committees of ICMAP (1992-1996)
- Member Technical Committee, ICMAP
- Member Research Committee, ICMAP
- Secretary Pakistan Bridge Federation ("PBF") and represented PBF in various ministerial meetings – 2005
- Member Income Tax, Sales Tax, and Utility Sub-Committees of FPCCI
- President 2012 & 2013, 2016 and 2017 – Karachi Club ("KC")
- Honorary Secretary, KC (2008)
- Member Managing Committee, KC (2003, 2004)
- Chairman Funds Committee in 1987, Students Council Government College of Commerce and Economics ("GCCE"), and
- Recipient of Stalwarts Award of GCCE in the year 2015

### My Vision

***"Let's join hands and make ICAP a Roof rather an Umbrella" – AshfaqTola***

Observing the function and progress of ICAP, while not actively involved in the Management since 1996, many practical ideas have been accumulated in my mind. I have always wanted the Institute to act as a shelter for its members and students instead of an Umbrella. Now that I have the opportunity to pen my vision for the institute, I would like to enlist following ideas:

### ICAP – Government Relationship

Since the establishment of Institute, ICAP's relationship with the government functionaries has not been up to the level required for such a prestigious and apex professional body of the country. Having a background of being involved with government to accomplish revenue and finance related tasks bestowed by various Ministries of the country, I find myself to be the best resource to strengthen the relationship of the Institute with top hierarchy and have a say in the country's policy making and implementation for the betterment of the institute and the members ultimately benefiting the profession.

My vision is to convince government to create separate cadre for our Members and Students, e.g. Audit function in FBR, Inspection function in SECP, Audit in AGPR, and place them to such distinct and coveted positions where they can help ICAP.

### Access to IT Resources for Members

Currently, a number of members, practicing as auditors especially in Small and Medium Size Practicing Firms, do not have sufficient access to specialized auditing software, which make them unable to stand shoulder to shoulder with members having access to such resource through their Internationally affiliated and members firms. The institute must develop/procure such software and provide free access to all practicing members so as to make them aware of technological developments which are beneficial to the profession and enhance their skill sets.

### Overseas Members

Members residing and working abroad contribute to the financial resources of ICAP. However, in return, no justifiable services are rendered by the Institute for their well-being or assistance. In my humble view at least 25% of fees collected from overseas members shall be allocated to respective International Chapters for carrying out activities at local level.

My vision is to have a special secretariat dedicated solely to overseas members to assist them in resolving their problems in Pakistan, e.g. property, tax and legal matters, which they are unable to cater due to their absence in Pakistan. I also have a background in resolving problems faced by overseas Pakistanis over the requirement of filing Income Tax return – Few years back filing of returns by members of Professional Bodies (residing abroad and even having no income in Pakistan) was mandatory and through my efforts it was deleted from the law.

There must also be a quota reserved for overseas member in the council of ICAP through elections.

### Women Empowerment and Gender Balance

I want my sisters and daughters in the profession to have equal opportunities as their male counterparts and serve the profession with all their capabilities and hard work. My vision for women of the Institute is to have a minimum quota of one seat in the council from each zone and one seat in the regional committees. Council has currently proposed for co-opting the female member but our vision is to make part the deserving candidate through direct elections.

### Free Takaful Insurance for Members

Currently in Pakistan, an accountancy body provides their members a Takaful Insurance cover GRATIS. My vision is to introduce similar scheme for members of ICAP as well.

### Council to be a True Policy Making Body

My vision is to make the Council a true policy making body comprising of members with independent thinking who take decisions without conflict of interest.

### Alternate Dispute Resolution Mechanism to Settle Internal Disputes

It is really unfortunate that internal matters of institute and between members are frequently referred to court of law resulting in belittling the image besides putting huge financial burden. These matters can easily be resolved by forming an Alternate Dispute Resolution Committee comprising of senior members and past Presidents of institutes. It is my endeavor to introduce this mechanism forthwith.

### Alternate Certification for Students

Last but not the least, Students of the Institute, who are unable to clear their exams or take longer than usual period to clear exams, start opting for other certifications like ACCA, ICMA, CIMA, PIPFA etc. I have deliberated a lot about this issue and I liked the vision of our UAE Chapter President, Mian Farhan, to introduce an alternate certification under the roof of ICAP for such students with a foreign nomenclature to enable them to secure better Job opportunities both locally and abroad.

The alternate certificate will be a breather for the students who are currently unable to earn according to their potential due to lack of certification. This will further prosper the Institute as an increased number of ICAP students would be working in the profession who currently opt for other certifications.

***"Let us open clenched fist and shake hand to prosper ICAP"***

With the assistance and support of the fraternity, I am confident that we will achieve our goals by working hand to hand and will elevate the Institute to new heights.



**Farrukh Rehman, FCA [R-2661]**

After graduation (Bachelor of Commerce) from Karachi University I joined A.F.Ferguson & Co and qualified as Chartered Accountant in 1996, continued with the Firm in managerial capacity and admitted as Partner on 1 July 2004. I have extensive experience in all aspects of the professional services. I am an Assurance partner where apart from carrying out normal engagement level duties, I am also the Territory Risk Management Partner and Assurance Transformation Leader.

I am a serving member of the council for the term 2013-17 and remained actively involved in the initiatives and projects of the Institute that are the combined efforts of the council. These included the proposed amendments to the Chartered Accountants Ordinance, 1961, implementation of new education scheme and examination, student feedback scheme, subject matter specialist,

e-marking, revised Framework of Quality Assurance for practicing firms, draft Practice Review Framework, Revised RAET Regulations, Revised Training Regulations, Professional Accounting Affiliate, Training outside practice, Audit Oversight Board mechanism, strengthening of overseas chapters, Edhi Talent Programme, opening of ICAP offices, introduction of CA Pakistan as identity logo, institute's infrastructure development, capacity enhancement through human resource appointments, National Finance Olympiad, etc.

During the council term I have provided my contribution in enhancing the status of the Institute in many areas. I have worked as member examination, investigation, executive, audit, professional standards & technical advisory committees and Quality Assurance Board providing extensive time and discharging

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respective responsibilities. I also worked as:

- First Chairman of the Accounting Standards Board
- Chairman Auditing Standards Committee
- Chairman Financial Sector Committee
- Chairman Insurance Committee
- Chairman Chartered Accountants Women Committee

Substantial work has been carried out under the above forums including establishment of working structure for the smooth functioning of the newly constituted Accounting Standards Board, audit bulletin for members, assurance and related services booklet, dissemination of new auditor reporting model and related website service, development of frequently asked questions on the Revised Code of Ethics, mega project of revising bank's financial statements format, revised insurance accounting regulations, revision in code of corporate governance for insurers, comments on proposed Insurance Act, women's day celebration events in Karachi, Lahore and Islamabad, issuing guidelines, circulars and assurance reports etc. There remained close coordination and strengthening of relationship with SECP and SBP.

Apart from performing the above role in the committees some of my other contributions are:

- Led the Institute's team and responded to in respect of the World Bank assessment of Pakistan's compliance on the Observance of Standards and Codes (ROSC) of Accounting and Auditing (ROSC A & A).
- Conducted a detailed study on audit fee levels and submitted to the council in connection with ATR 14 revision. This also involved accumulation of audit fees of Pakistan listed companies' data and comparing with India, UK, Malaysia and Sri Lanka listed companies' data.
- Coordinated for the production of ICAP Corporate Videos and updating of ICAP Coffee Table History Book.
- Participated in reviewing and providing comments on the Companies Act on behalf of the Institute. Conducted number of meetings with senior Securities & Exchange Commission of Pakistan's (SECP) officials to make changes in the draft Act including accounting and auditing related matters.
- As part of the Institute's Taskforce on Sustainability Reporting Framework, I reviewed the applicable frameworks and proposed to the Council to adopt framework and a model reporting structure for companies that will produce Sustainability Reports.
- Reviewed and coordinated the ICAP's submission to IFAC about the status and action points regarding the Statement of Membership Obligations (SMOs). Have also designed a system of such reporting in future.
- Represent ICAP in Accounting and Auditing Committee, Professional Ethics Committee and Not for Profit Entities Committee of SAFA.

- I have also been appointed as Technical Advisor to ICAP member in the IFAC's Professional Accountancy Organisations Development Committee (PAODC).
- I have been speaker at various seminars conducted by ICAP covering topics from International Financial Reporting Standards, International Standards on Auditing, Code of Ethics and Company law.

The council continues to debate forwarding looking approaches for the development of the profession. Though efforts have already started in many of the areas, ICAP should embrace technology in the functions and activities of the Institute that would include complete system of membership service, take initiative for electronic reporting of financial statements by companies, development of audit documentation software for the firms and e-learns and other modern means for the continuous professional excellence.

Further there should be focus on 'The Future of Chartered Accountants' and 'The Future Chartered Accountant'. This would require analysis of the future work place needs and skill set required of a chartered accountant. Appropriate changes would then be required in the education and professional development & training.

There should be consideration of the concept of ICAP Centre of Excellence under which various research based and training initiatives can be taken.

To further increase the quality of students and education, involvement of other established institutional educators would be beneficial.

A framework of structured activities relevant for the overseas members in respective countries in coordination with ICAP Chapters is needed to be developed for implementation. In order to expand the professional services base new areas of services should be looked into for the small and medium sized firms. This would involve engagement with relevant stakeholders also. Further specific suggestions for the documentation of economy can be deliberated that have significant indirect impact on the provision of professional services of the firms. This would not only expand the profession but also increase the absorption of students entering the profession.

For the sustainable progress and development of the Institute it is of paramount importance that adequate funding resources are available to the ICAP. In this regard specific campaign needs to be undertaken for future projects.

Strengthening of the relationship with other government institutions specially SECP and SBP is important. Efforts should be made to bring it to the next level.





**Hina Usmani, FCA [R-2060]**

### Academics

- Fellow member Institute of Chartered Accountants of Pakistan-1993
- Fellow member Institute of Corporate Secretaries of Pakistan-1994
- Certified Director under Corporate Governance Leadership Program-2012

### Working Experience

- Executive Director & Company Secretary-First Leasing Corporation Ltd. 1992-2003
- EVP-Head of Risk Management & Credit Monitoring Cell, First Women Bank 2003-2004

### Professional Excellence

Managing Partner, Usmani & Co – A QCR rated women led accountancy practice in Pakistan with global strength of 100+ women accountants, engaged through innovative concept of working from home & flexible hours, proficiently catering professional services, ranging from complex transaction advisory for large corporates to simple business solutions for small entrepreneurs

### Professional Contribution

- Member ICAP Auditing Standards, Small & Medium Practices, CA Women Committee (2016-17)
- Working Committee member ICAP CA Women Forum (2010-2016)
- Committee member Sales Tax & Refunds, Provincial & Local Taxes and Women Entrepreneurs Karachi Chamber of Commerce & Industry (2013-17)
- Board Member/Treasurer (2013-15), Collective GB Member Shirkatgah, NGO on women rights

### Awards and Appreciations

- Awarded gold medal by Zuberi Association as first woman Chartered Accountant of Zuberi family
- Featured in Express Tribune "The Chartered Accountant who is changing the rules of the game"
- Projected as role model by Association of Accounting Technician, UK in January 2017

- Named as role model by ICAP
- Nominated as most inspiring woman in 2013 by US-Pakistan Women's Council set up by then US Secretary of State Hillary Clinton to promote female entrepreneurship
- Secured Finalist position in momentum award 2017 category by Ladies Fund Pakistan

### Vision as Council Member

#### ***Making Chartered Accountancy the Number # 1 Choice Profession***

Effective marketing techniques, technological advancement, establishment of international offices, cultural and professional exchange programs

#### ***Focus on Training & Development***

- Curriculum for students to include training programs for leadership, presentation and IT skills ideal for future CEOs, business leaders and successful entrepreneurs
- Mentoring & leadership development programs for members taking the next big leap as CEOs & C-suite executives

#### ***Increase Women Representation***

Career counseling, highlighting role models, create enabling working environment, establish database for qualified female certified directors

#### ***Personalized Approach***

Establish authentic database, adopt personalized approach to address members' issues and concerns and develop exclusive beneficial relationship with members

#### ***Support for Small & Medium Practices***

Technological support, guidance on Industry best practices, introduction of simplified standards, improving quality control mechanism, mandatory in-house training

#### ***Engagement of Professionals in Business***

Active engagement of professionals in business to highlight & resolve industry related issues for economic development through ICAP's platform

#### ***Role for Overseas Members***

Increase outreach through overseas chapters, a separate help desk, regular webinars on issues related to respective countries, establish beneficial relationship



### **Khalid Rahman, FCA [R-1963]**

Dynamic Leadership with Experience

#### **Academics**

- Fellow member of the Institute of Chartered Accountants of Pakistan – *ICAP*.
- Fellow member of the Institute of Chartered Accountants in England and Wales – *ICAEW*.
- Fellow member of the Ontario Institute of Chartered Professional Accountants – *OICPA*.
- Alumnus of the Graduate Business School at Stanford University (US) and the Kellogg Graduate School of Management at Northwestern University (US).

#### **Contribution to the Institute of Chartered Accountants of Pakistan – ICAP**

- Council Member of the institute for the term 2009-2013.
- Chief Operating Officer - COO from May 2013 to Jan 2015.

#### **Contributions to International Federation of Accountants – IFAC**

- Member on the Compliance Advisory Panel of IFAC since January 2015.
- Technical Advisor on the Professional Accountant of Business Committee of IFAC from 2011-2014.

#### **Contributions to Business – A Seasoned Professional in Oil and Gas Sector**

- A renowned corporate leader representing oil & gas industry in Pakistan, widely regarded in policy making circles.
- Chief Executive Officer - CEO / Managing Director of Sui Southern Gas Company Limited

- Appointed Team Leader for the Gas Sector Structural Reforms by the Government of Pakistan.
- Chief Executive Officer / Managing Director of Pakistan Petroleum Limited where he worked for 20 years up-till 2012 in various senior management positions including Deputy Managing Director, Chief Financial Officer and Company Secretary.
- Director on the Boards of Inter State Gas Systems Limited, Pakistan Institute of Corporate Governance, Petroleum Institute of Pakistan and Punjab Energy Holding Company.
- Chairman to the Board of SSGC-LPG.

#### **Ideas for Betterment of Institute / Manifesto**

- Image building of ICAP to ensure that ICAP qualification is recognized as a premier accounting, finance and business qualification both locally and globally.
- To build upon the success in previous term for getting recognition of Pakistan's Chartered Accountancy with other accountancy bodies around the globe in terms of both scope and extent of recognition.
- To productively engage much wider and diverse representation of professional accountants in business in the affairs of ICAP.
- Providing a vibrant platform to seek resolution of business & industry issues of common interest.
- To strengthen the engagement of the overseas chapters in the affairs of the Institute.
- Enhance the quality and relevancy of CPD activities with focus on capacity building of members to make ICAP qualification technology embracing and in line with the emerging trends in the world.



### **Khalilullah Shaikh, FCA [R-4456]**

#### **Career Highlights**

- Currently working as 'Chief Internal Auditor' in K-Electric Ltd. Served as 'Director Finance and Business Administration' for 4 years
- Worked in Pakistan Refinery Ltd. as 'Head of Treasury and MIS'.
- Articleship from A.F Ferguson & Co. FCA, ICAP - *Secured Six Gold Medals in CA Final Examinations*
- Secured all Karachi 2<sup>nd</sup> Position in B.Com
- Attended 'Leadership Development Program' at National University of Singapore

#### **Serving the Profession**

- Council Member for the term 2013-17. Serving as VP-South for the year 2016-17
- Serving as Chairman PAIB Committee for last three years. Served in various committees and task forces of ICAP
- Serving as Member of **IFAC PAIB Committee** for the term 2017-19. Previously, served as Technical Advisor for the term 2014-16
- Served as member Southern Regional Committee of ICAP for the term 2009-13

- Conducting classes for CA final students for last 12 years – student alumni includes over 1,500 members of ICAP
- Conducted training sessions for ICAP and other organizations like SBP, SECP, Unilever, Madina Institute of Leadership and Entrepreneurship (MILE) etc.
- Founder member of 'The Intellect' school, operated by a not for profit organization.

I feel pride in saying that CA-Pakistan is the foundation of my outstanding career progression. Ever since my qualification, I have been trying to contribute to my Institute passionately.

### Key Initiatives as part of ICAP Council

Alhamdulillah, during the last four years, I was able to drive a number of initiatives as part of your Council, enabling progress on multiple fronts – governance, capacity building, outreach, members' engagement & professional development, student support, education and examination etc. Some of the key initiatives of your Council during the last four years are:

- Establishment of **Audit Oversight Board** and **Accounting Standards Setting Board**. Improvement of Quality Assurance Board Framework. Proposed **amendments in CA Ordinance**
- Extensive **Local Outreach** – establishment of ICAP offices in Abbottabad, Azad Kashmir, Gujranwala, Hyderabad, Quetta and Sukkur
- Nation-wide Launch of **Edhi CA Talent Hunt Program**, providing scholarships to students on merit-cum-need basis
- Launch of **ICAP Mentorship Program, National Finance Olympiad** and CA Toastmasters Clubs
- Launch of **Professional Accounting Affiliate (PAA)** scheme
- Restructuring of Education and Training Directorate. Capacity building of Secretariat
- Development of quality Study Texts. Launch of Students Exam Feedback Scheme & Computer Based Exams. Introduction of **Soft Skills Courses**
- Establishment of Revolving Fund for Overseas Chapters. Organizing **Middle East CFO Conferences**
- Formation of **CA Women Committee** & Members Affairs Committee
- Reciprocal arrangements with CIMA and CPA Canada

### Way Forward

Alhamdulillah, members of our Institute have proven their mettle locally and globally, making CA-Pakistan synonym to professional excellence and high work ethics. This is in fact a direct credit to our Institute. However, in this increasingly competitive and dynamic world, there are and will always remain areas for improvement. Key areas to focus in next few years are:

- **Improving Governance Model:** Empowering secretariat to manage operational matters independently so that Council focuses on strategic issues. Bringing greater diversity in Council with reserve seats for Women and Overseas members.
- **Global Outreach:** Making CA-Pakistan a global qualification by establishing overseas offices – to start with Dubai & Jeddah and gradually moving to other soft locations in Central Asia, Africa etc. Providing financial and secretarial support to Overseas Chapters in their drive for members' engagement, professional development & advocacy.
- **Members' Engagement & Professional Development:**
  - Increasing members' engagement through periodic **open-house sessions** and better use of social media platforms
  - Establishing state of the art **Executive Development Center**.

Development of inter-active E-learning platform, having recordings / resources of all ICAP programs and other quality learning material

- Enhancing scope of Mentorship Program. Developing more innovative engagement and development programs for members like best practices sharing, thought leadership publications, pep talks by business leaders, peer-to-peer networking etc.
- Developing **Industry specific Orientation & Certification programs**
- Development of proper **member lounges** in all major offices, providing various facilities
- Introducing scholarship program for members and affiliates to pursue further education from leading universities
- **Improving Education and Examination Scheme:** The success of our Institute lies in inspiring & attracting talent into the profession. For this, it's important to remove fear factor, adapt to changing realities and make flexible career choices available to students.
  - Getting a **Degree Awarding Institute** status for ICAP – thereby offering two parallel schemes, academic & professional – allowing flexible routes for transition from one to another
  - Providing **prompt and convenient access to quality study resources** through digital media
  - **Improving syllabus** to keep pace with changes in the world of accounting and finance – focusing on Risk Management, Integrated Reporting, Blockchain, Cyber Security, AI in finance etc.
  - Developing capacity and bringing **greater transparency & consistency in exam system** through more computer based exams and extensive student feedback / counseling scheme
  - Getting **better equivalency** for CA-Pakistan (18 years Masters) & PAA (16 years Bachelors) from HEC
- **Research:** Setting up of a Research function in the Institute and undertaking joint research projects with local universities, other accounting bodies and government institutions.
- **Marketing & Advocacy:**
  - Establishing close connectivity with leading schools & colleges for attracting talent. Developing **inspirational videos** and identifying high fliers from industry & profession as **brand ambassadors** for effective marketing
  - Keeping continuous liaison with Business and Finance Leaders in industry and organizing corporate meet up sessions – thereby promoting CA-Pakistan brand
  - Effective participation in all regional and global bodies like SAFA, CAPA, IFAC etc. Organizing periodic joint events with them locally and internationally for advocacy
- **Others:**
  - Pursuing reciprocity arrangements with other CA Institutes like ICA of Australia and NZ etc.
  - Facilitating members' placement through establishment of proper placement desk / function
  - Effective liaison with government departments / regulators (SECP, FBR, SBP etc.)
  - Engaging SMPs by establishing central support function within ICAP to improve their technical / advisory services and helping them in student training programs





**Muhammad Sharif Tabani, FCA [R-1649]**

## Professional Profile

### Executive Summary

A quick look of the energetic education professional in the Accountancy Education of Pakistan

Mr. Sharif Tabani is primarily known for the Chartered Accountancy education in Pakistan and has been associated with education for the last 30 years.

His brief executive profile is;

- The pioneer of Tabani's School of Accountancy (TSA)-RAET
- Earned the title of CA in 1987/88. He joined A.R Dewan & Co for article ship. After a year he transferred his article ship to Ebrahim & Co. (BDO) and successfully accomplished his remaining training.
- Pursued working with Adamajee Group for a year and having achieved the title of CA he joined KPMG Taseer Hadi & Co. Chartered Accountants lasted for one year then joined Fazal Sons Group.
- In 1982/83 began teaching to B.Com students and in 1987/88 extended his services to CA students.
- Had significant exposure in teaching Refresher Course at ICAP for 3 years and in early 90s was also permitted by ICAP to conduct private classes for CA students as an affiliated institution.
- In 1990 an audit firm in the name of Hasan Tabani & Company was established by Sharif Tabani and his partner. Tabani's School of Accountancy was formed in 1998 as a RAET.

### Achievements

#### ICAP:

- Being representative of education, Mr. Tabani worked day and night during the introduction and implementation of new education scheme.
- His input in improvement in examination system was exemplary. He is also involved in syllabus and study text updates.
- He is also an instrumental in implementation of mid-tier qualification and industrial training.
- Improved the outlook of ICAP publication along with the help of ICAP publication team.

### Contributions

#### TSA:

The students of Tabani's School of Accountancy (TSA) have created

benchmark by tremendous set of records obtaining highest marks, distinctions, gold medals and merit certificates in Pakistan.

Mr. Tabani has been elected as a council member in the ICAP election of 2013 and contributed as an educationist cum chartered Accountant in various committees, such as:

### ICAP Council

With sound knowledge representing education and industry, Mr. Tabani's contributions are:

- **Investigation Committee:** giving diversified input to the committee
- **Overseas Committee:** developing a liaison between members / colleagues working abroad.
- **Education and Training Committee (ETCOM):** associated with the committee for 8 years acting as a representative of RAET.
- **Publication Committee:** made his best endeavors as a chairman and worked actively in bringing the publications in line with international level and to cater the needs of the maximum readers, as this committee is responsible for publication of quarterly magazine, monthly newsletters...
- **ICAP Building Committee:** heading the committee and making ICAP benefited by his experience in the field of construction and interior concepts.
- **Continuing Professional Development (CPD):** serving as a chairman CPD, during this period arranged CPD activities for members which add value to their respective fields. Also monitored conduct of DTP.
- **Professional Accountants in Business (PAIB) Committee:** assisted as a key member of committee and passionately contributed with his rich experience and visionary skills for members in industry
- **Executive Committee:** Mr. Tabani has been serving very actively in the executive committee for the last two years. He is always available to secretariat to discharge their duties and also contributed in various sub-committees formed by executive committee to resolve various issues which requires detailed input.
- **PIPFA:** during two years of association with PIPFA, Mr. Tabani has actively participated in BOG, Education Committee, Executive Committee and Disciplinary Committee.



**Muhammad Samiullah Siddiqui, FCA [R-2980]**

### Profile

Over 17 years of experience with Global conglomerates and five years in profession.

**Current Position:** Executive Director & CFO Linde Pakistan Limited and Executive Director of BOC Pakistan (Pvt.) Limited.

**Previous Positions:** Commercial Director Siemens Pakistan with responsibility of Energy Business within Pakistan, Afghanistan and Dubai Branch. Also served as Head of Audit Siemens Pakistan.

Attended Management / Leadership Courses from world's leading business institutions

- Harvard Business School
- Babson University USA
- Lahore University of Management Sciences (LUMS)
- Completed Director Certification Program

During my professional career, I led various projects locally and internationally where I learned and demonstrated the skill set leading to successful Change Management – be it a ERP implementation or M&A or Project Management and Diversity Management – experience and exposure of working with various countries, nationalities, diversified business and corporate functions

### Professional Engagements & Contributions:

I, as a member working in industry, am engaged with ICAP in a number of initiatives addressing the need and challenges being faced by our members in industry. Following is a glimpse of the activities and contributions:

- **As Member of Professional Accountants in Business (PAIB)** Committee of ICAP spent yearly 200 + hours since 2014 in a passionate endeavor **bringing Institute's activities closer to the business.**

Key achievements include:

- Successful organization of **CFO Conferences for 3 consecutive years in South, North and Middle East regions.**
- Most acclaimed accomplishment of first ever **National Finance Olympiad. From idea conceptualization till crowning of finance champions the event brought** fresh energy amongst members to excel in both technical and soft skills.
- Realization of dream of leveraging benefits from remarkable synergies that exists amongst members through launch of first ever **ICAP Mentoring Program.**
- Establishing **CA Toastmasters** club in Karachi to **bring vibrancy, prowess and influence in the voice of CA Pakistan,**
- Development of industry specific guidelines
- **Introduced new paradigm of members' engagement** through **Digital Platforms** e.g. Social Media, Customized App, live video streaming.
- As **Member of Education Committee** of ICAP, actively

participated in various initiatives of the ETCOM in particular the development and improvement of study texts and computer based examination

- Being **Member Taxation sub-Committee of OICCI** contributed actively in putting forward key reforms and agenda that matters most to the business.

### ICAP – A Way Forward towards Brighter, Vibrant and Stronger CA Pakistan!

As a proud member of ICAP, I cherish the era where the Institute is known as synonym of professionalism, integrity and provider of premium education. Members have excelled in their respective fields which is in fact a hallmark of ICAP's success thanks to our visionary leaders and senior members!

I envision ICAP as:

***"An Institute that always leads from the front & offers Countless Opportunities for students, members and the industry to attain growth & prosperity"***

In order to affirm the brighter future, it is inevitable that a strong institutional mechanism is implanted. This will not only be responsive to the prevailing dynamics and needs of the business both locally and globally but also gives due focus to emerging growth epicenters i.e. Pakistan, Middle East, Central Asian Countries and China.

To meet this end I have a clear agenda. Salient feature of my agenda is summarized below:

1. **Development of Progressive Roadmap** of CA Pakistan over mid to long term horizons with clarity of objectives, complete transparency and a sense of direction and meaningfulness in whatever we do.
2. **Establishing Robust and Efficient Governance Structure** in line with established corporate success models which entail inculcating **right empowerment at the right levels and capacity** building within ICAP. This would enable the Council members to productively focus on strategic topics.
3. **Taking CA Pakistan Brand to Global markets – Road shows,** education exhibition, advocacy campaigns and people to people engagements are one of few ways to take CA Pakistan brand to the budding regional markets; especially in Middle East, Central Asian Countries and China.
4. **Elevating SMPs to come-up as a real alternative professional service provider.** Engaging SMPs by establishing central support function within ICAP to improve their technical/advisory services and helping in student training programs.
5. **Empowering Members in Industry:**
  - i. **Establishment of the Center of Excellence** within

- ICAP and to enrich the knowledge and skill of members belonging to different spheres.
- ii. **Bringing Start-ups to life** - Providing technical and functional support to 'start-up business enterprises' in particular encouraging Women Entrepreneurs.
  - iii. **Leveraging Synergies through New Ways of Member-2-Member Engagements.** – Apart from taking ICAP flagship programs (i.e. CFO Conference and National Finance Olympiad) to next levels, more innovative ways aiming at the knowledge sharing of cross industry best practice with our members.
  - iv. **Creation of an Independent Committee for Specialized Areas** e.g. **Internal Audit** Function or **Compliance** Function or **Risk Management** Functions. This will not only give due recognition to these filed at ICAP level and but also provide a platform to the members to network and knowledge sharing.
  - v. **Enhancing Digital Engagement:** PAIB App covering the key initiatives of ICAP, industry specific guidelines, industry specific forums e.g. Banking, Oil & Gas, Healthcare, Hospitality management, Insurance.
  - vi. Preparing members for upcoming **Disruptive technologies** in accounting, finance and audit profession.
6. **Bringing Overseas Members in the Main Stream of ICAP :**
    - i. Creation of an **Overseas Chapters Committee** whereby nominated office bearers represent their chapters and discourse the opportunities and challenges of different territories.
    - ii. To ensure **ICAP's adequate financial support** for overseas chapters who are the key source of **ICAP Advocacy** while organizing professional development and social programs for the members
    - iii. Play an active role in **supporting members** planning to **come back to Pakistan** and also encouraging and enabling the overseas chapters to support in **establishing the new members** in their respective territories.
  7. **Transforming Education & Examination Function - To invest in uplifting student's educational standard is the only way to ensure sustainability of the Profession.** Therefore:
    - i. **Setting Higher Benchmarks for Educational Institutes** and enforcing institutes to **sponsor prescribed minimum** number of deserving and needy students to finance their studies. At the same time, encouraging and engaging the institutes to invest on ICAP educational programs through continuous **dialogues and financial support** in a transparent manner, as and where feasible.
    - ii. **Transforming the Study System:**
      1. **Through Digitalization** - Developing quality video lectures / Webinars for different subjects to provide an alternative choice to class room studies.
      2. **Preparing Students for Disruptive Technologies** in accounting, finance & audit professions
    - iii. Developing highly experienced **Pool of Professional Examiners** that meet the minimum eligibility requirement of relevant experience.
    - iv. Enhancing **Outreach and Visibility of CA Pakistan** in Universities / educational institutes outside of the mainstream markets specifically addressing the "perception of fear factor" of CA qualification.
    - v. Bringing more **transparency and objectivity** in the examination system through arranging Specific post exam feedback for unsuccessful candidates
  8. **Enabling Level Playing Field for Women** - Taking initiatives targeted towards Women Empowerment & active role in placement opportunities, helping startups. In addition, also to ensure enhanced financial support for women from less privileged areas.
  9. **Gaining Wider Recognition for CA Pakistan** i.e. accreditation of CAs and PAA by the recognized universities/ HEC in particular **awarding the "Degree" for CAs and PAAs**
  10. **Institutionalizing Role of CAs in Public Sector** through advocacy and creating innovative yet pragmatic ways of providing support to Government in policy making and governance including by creating **new opportunities in Public Sector Organizations for members.**
  11. **Developing Research Function** - Establishing the Research function within ICAP not only to assist the members in industry in various day to day matters but also to give prominence to ICAP by publishing the research papers



**Nauman Ahmed, ACA [R-4325]**

Partner  
Tax & Legal Leader, Deloitte Middle East  
Deloitte & Touche (ME)

## I. Professional Background

### a) Professional Qualification

Institute of Chartered Accountants in England 1986  
Institute of Chartered Accountants of Pakistan 2005  
Corporate Finance Qualification (CF) (ICAEW)  
Member of ICAEW Tax Faculty

### b) Professional Career

- Head of Tax & Legal for Deloitte Middle East

- Member of the Deloitte Middle East Executive Committee
- Board Member, Deloitte Pakistan

### c) Professional Experience

- After my "A" levels, I went to the UK to complete my training and PQE for ACA (ICAEW)
- In the UK, I then joined Price Waterhouse England, Turkey & Canada until 1992.
- For both personal and professional development, I moved to Deloitte Saudi Arabia



- I was admitted into the partnership in Deloitte in January 1998.
- In my role as a Partner and Tax & Legal (T&L) Leader, I have been responsible for some of the key clients as well as developing the T&L practice into a strong and potent force.
- I pioneered the secondment program in the early 90's which has seen a significant number of qualified and trainee accountants from Pakistan seconded to the ME. This gave opportunities to numerous Pakistani CAs. This program was then rolled out to Europe also.

## II. Personal Statement

- My extensive and varied experience, as an employee, line partner and partner in leadership position has given me unique insights on how I can assist in developing ICAP of the future.
- CA Pakistan is still considered to be a top notch qualification. However, it is under existential threat from international qualifications, changing needs of the employers, technology etc. As some from the outside looking in and as an employer of Chartered Accountants I bring a vast blend of experience, and unique perspective that I truly believe can assist not only ICAP but also its members
- Being a Board member of Deloitte Pakistan and Member of the EXCOM of Deloitte Middle East, I understand the significant challenges faced by young CAs, in not only the profession but also in industry.

## III. My Ideas on Reshaping the Accountant from Traditional to the Future

***"It is not the strongest or the most intelligent that will survive, but those who can best manage change"***

We must recognize that there is one constant, change. ICAP needs to be ahead of the change, which is obviously extremely challenging. But the minimum ICAP has to do is to embrace the change quickly and become part of the new game. The profession needs imagination and new and bold ideas to effect the change. As Oscar Wilde said, **"An idea that is not dangerous, is not worthy of being called an idea at all"**.

### Our Future- the Young CAs

I want to start with the young CAs, the present and the future of ICAP. Whilst ICAP produces technically very strong CAs (who can recite the entire IFRS and tax code), **not much attention has been paid towards developing the CA of the future** that employers are now looking for: well-rounded, technology savvy, strategic thinker and the one who is able to balance opportunities and risks. Traditionally, accountants have been trained mostly as those who would avoid risk. The approach needs to change from a "risk averse" to "risk manager"; who recognizes the opportunities, flexible enough to adapt to the change, if not ahead of the change. The focus of training and syllabus needs to be leadership and innovation, to be ahead of the change. The curriculum continues to stress on the technical aspects but lags behind on the personality development of the young CA. Unfortunately, these are also not a priority in our schools.

As noted above, whilst technically strong CAs are coming out each year, there is not much training on how to become the CFO of the future. CFO's role has changed dramatically over the last few years. It is no longer considered to be a back office function. CFOs are an integral part of the strategic team of the CEO. Consequently, **ICAP training and syllabus needs to cater for this changing**

**environment** and as your Council Member, I will be pushing ICAP to bring these changes for the future of our young CAs.

We have a treasure chest of senior leaders who have been in executive positions both in Pakistan and abroad. I would like ICAP to capitalize their experiences and expertise in developing mentoring programs for our young CAs.

### Overseas Members

Overseas members bring a completely new perspective to ICAP. Their experiences in the outside world should enrich ICAP in bringing about the changes it requires and they are excellent brand ambassadors. Whilst ICAP has over the last few years initiated dialogue with them I would like to see this developed further and ensure that they have a seat on the Council. **Their voices must be heard and their participation in ICAP needs to increase** for mutual benefit of both sides. They are proud to carry the CA banner and can assist ICAP in its drive for international recognition and change. ICAP also needs to become more open, more global and more relevant for all members, the local and international.

### ICAP v Other Institutes

ICAP faces serious challenge from other institutes within Pakistan as well as outside Pakistan. We need to recognize that this is a reality and that fighting them and closing the door on them will only defer the inevitable and eventually hurt ICAP. In the new world, ICAP has to have global thinking, more transparent and competitive rather than being afraid of the competition. As your Council Member, I will look at ways to cooperate with them with a view towards enhancing ICAP's stature internationally and increasing our membership. Also, due to unique position of ICAP within Pakistan, it has great potential to develop partnerships with other organizations for mutual advantage, making its role more relevant and effective in the economic development of Pakistan.

**I will work to change our approach to make ICAP more competitive, rather than being afraid of the competition.**

### Technology

Advancements in technology mean that most of the traditional role of the accountant is being taken over by computers. Developments in the field of Robotic Process Automation, Digital and AI means the ICAP members cannot be left behind. As your Council Member, I will be pushing this agenda forward to **make sure that members are at the forefront of this technological revolution**. This new reality may require total overhaul of the syllabus and the way CAs are trained. This requires study of international models and research to reshape our accounting profession and to develop a vision for the accountant of the future Gender Disparity

**We will only be able to attract female talent if they see opportunities for growth in not only the profession but also in industry.** We need to push the women to senior leadership positions in the firms. As your Council Member, **I would like to see ICAP develop more initiatives to get women into the role of partners and leaders.**

### Specialization

ICAP could **enhance the profile of its members by creating faculties in various specializations** like tax, corporate finance, Audit and accounting, management accounting, technology, and pervasive use of technology in all core areas of a professional or management accountant to make him more competitive etc. This

will direct young CAs towards more specialization and enhance their career profiles.

### Role of ICAP in CPEC

With the current developments in the world impacting Pakistan, the role of ICAP and accountants needs to evolve. In this context, as "China's One Belt One Road" policy, CPEC etc. are very crucial, ICAP needs to take leadership role in developing thought leadership / studies to make this program beneficial for the country, and make accountants more relevant through their greater participation. OBOR / CPEC are so pervasive and critical for

Pakistan that ICAP will be at great risk if it ignores this opportunity. On the other hand greater investment, research and analysis in this area can optimize the benefits for Pakistan's economy and profession. As your Council member **I will work to make sure that ICAP does not miss this opportunity** and is closely aligned with the rollouts and our skillset in accountancy, finance, audit, project management etc. is used to mutual advantage. I will be your biggest advocate at the private and public sector level, given my international expertise on similar initiatives to ensure that CA's are able to actively participate and provide exceptional value in such ventures.



**Rashid Masood Alam, FCA [R-3370]**

ACMA

A Fellow Chartered Accountant and a Fulbright Scholar (Hubert H Humphrey Fellow) to Boston University Graduate School of Management, the USA for 2005-06. More than twenty years of professional experience at strategic positions within the Global Banking and Corporate Sectors, Audit/Financial Services, Tax Planning & Advisory. Group CFO – MCR (Pvt.) Limited.

- a. Financial Controller – ABAM- Saudi Arabia
- b. VP APAC and Head of Audit Pakistan – Deutsche Bank, AG
- c. Head of Compliance – Bank Alfalah Limited
- d. Deputy Head of Audit – Bank Alfalah Limited
- e. Former member of ICAP Benevolent Fund Committee
- f. Former Treasurer Casa

### Objective

Help gaining ICAP a futuristic relevant position whereby Institute and its members are able to face challenges posed by various foreign and local professionals, academic qualifications and technological sophistication by aligning themselves with latest trends and tools.

### ICAP Governance

Strengthening ICAP secretariat with quality staff and with a clearly segregated circumference of responsibilities and appropriately empowered executive branch. With the consultation of members', CEO of ICAP may also be appointed who should be held responsible running the day to day affairs under the guidance of council members and ICAP president. ICAP should offer tenure position for all important position including Director Technical, Director Examination, Director Training, and COO etc. with a clear laid down and agreed job description.

Council should guide the secretariat in discharging their responsibilities and should be more focused on strategic decision making, policy matters, improving relations with and guiding Government regulatory bodies i.e. SBP, SEC, FBR and Competition Commission etc.

### Members' Support & Engagement thorough Skill Diversification Program and Other Means

With changing landscape, new dimensions are added in the businesses which provide exciting areas for professional growth. However, mastering these areas require a continuous professional development. There should be a planned approach to develop our members' capabilities in other areas such as Risk Management, Big Data Management and Data Analytics, and Business Continuity, Information system tool management etc. by introducing training workshops and short certificate courses with the help of other specialized institutes. 1

### Research Publication

On a continuous basis, ICAP should publish research report on special subjects like BASSEL Rules, Doad Frank, FATCA, Innovative Auditing techniques and complex Accounting and Financial issues etc. A separate well equipped research department may be formed which in collaboration with other center of excellence i.e. IBA, LUMS, Applied Economics Research Centre (AERC), Institute of Corporate Governance etc. conduct joint research and in addition to facilitate ICAP members, should serve the community at large as well.

### Connectivity with Business Leaders

I am a strong believer of developing connectivity with businesses and the people who are leading them. This enables me to understand their needs and develop solution for them. We, as Chartered Accountants, have to cater to the complex and growing business demands and requirement, while keeping our professional integrity above everything. This connectivity program should be devised in three tiers:

- i. A frequent interaction of our CA finalist students with business leaders will enhance their mental horizon and this is known as "developing the future".
- ii. Like leading universities, Fresh Chartered Accountants should be introduced to the leading employers enabling them to evaluate career options before landing into a job.
- iii. Collaboration with Business and Industry bodies to understand

their demand and provide them with meaningful solutions through our research department.

### Medium and Small Size Practicing Members

We need to create jobs and Small and medium size professional (SMPs) firms are the engine of growth of the profession. Keeping in view the importance, we should encourage medium and small size practicing firm by organizing specialized training, capacity building and establishing a help desk for them at ICAP. This is ICAP's and council's responsibility to work with SMPs to resolve the capacity building and technical issues and create opportunities for them to work in an ever competitive environment.

### Branding, Global Foot Print and Outreach

ICAP has offices in other areas of Pakistan as well and I believe that

our profession should be an amalgam of students representing all strata of life and class. Schools of far flung areas should be visited to pursue students to join the CA profession. Coordination with TCF school net-work can play a major role in this transformation.

International chapters of ICAP should be formed and made active in all location where ICAP members are residing and have jobs. On a need basis, ICAP should consider them supporting financially until such times these international chapter become self-sufficient.

CA Pakistan branding should be vigorously carried out and marketing strategy should be chalked out which creates awareness and leave an impact in the mind of industry and business leader and public at large.



**Riaz Abdul Rehman Chamdia, FCA [R-2074]**

As a sitting member of the ICAP's Council for the current term (2013-2017), I deem it an honour to present before you once again and seek your trust and confidence for the next term as a member of the Council based on a record of dedicated services and my humble contribution in the affairs of ICAP and its esteemed members.

### Brief Profile

I am a fellow member of ICAP and am a partner for the last 19 years with EY Ford Rhodes, Chartered Accountants, a member firm of Ernst & Young Global. Having an almost 30 years' of experience in the public accounting firm, I am now the firm's Country Leader (designate) – Audit and Assurance segment and am also serving as a member on the firm's Executive Board which is the highest policy making and governance organ of the Firm. While I bow before Almighty Allah with all humility and submission for having guided me throughout this hard and arduous journey leading to the position where I find myself today, I take this opportunity to rededicate myself with increasing sense of responsibilities, seriousness and a focused endeavor to realize the opportunities and meet the challenges lying ahead.

### Service to ICAP

Over the years, I have been actively involved in various professional activities of ICAP and in particular, in the last eight years ever since I have been serving on the ICAP's Council and Southern Regional Committee (SRC). During my association with ICAP, I have served in the following capacities:

- As Vice President ICAP representing Southern Region (2013-14)
- As Chairman:
  - Accounting Standards Committee (2013-2017)
  - Examination Committee (2013-2014)
- As a member :

• Accounting and Auditing Standards Committee (2001-2005)	• Executive Committee (2013-2015)
• Quality Assurance Board (2006-2009)	• Public Sector Committee (2014-2017)
	• Overseas Members Committee (2014-2017)

• Southern Regional Committee and having served as its CPD Convener, Honorary Secretary and Chairman (2009-2013)	• Membership Affairs Committee (2017)
• Investigation Committee (2013-2017)	• Professional Standards and Technical Advisory Committee (2013-2017)
	• Accounting Standard Board (2017-2018)

While having had the privilege of serving in the above positions, I have made best endeavors for my humble but effective contribution in the conduct and affairs of the ICAP. This has not been an easy task as my participation in the ICAP affairs resulted in an impelling need to compromise on my own leisure and family time; nevertheless I have always found it very rewarding in enriching my own knowledge and experience on the one hand and achieving a sense of commitment and fulfilling promises made to the members and our Institute on the other.

### Service to IFAC and SAFA

I have also served as a Technical Advisor on International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC) for a three year term (2014-2016). Attending its quarterly meetings and working on its various task forces was an enlightening experience. During 2013-2014, I have also served as a member of the Ethics and Independence Committee of the South Asian Federation of Accountants (SAFA).

My four years association as a Council Member and a term as Vice-President, ICAP, provided me an opportunity of joint endeavor with other esteemed members to be part of the decision-making process which has achieved various milestones for ICAP and its members. The following may be recounted as a few examples:

- Opening up opportunity of "Articleship" in Industry
- Introduction of Mid- tier qualifications
- Formation of Accounting Standards Board and Membership Affairs Committee
- Transparency in communication with membership in the form of Circulation of Council meeting briefs

- Revised MOU for mutual recognition with Canadian CPA Institute
- Experience evaluation scheme introduced by ICAEW for ICAP members having 5 years post qualification experience which is due to persistent follow up by ICAP and other SAFA region countries for mutual recognition
- Introduction of Practice License Regime (under finalization)
- Significant amendments in the C.A Ordinance, 1961 (under finalization)
- Promotion of CA Pakistan Brand
- Finalization of LLP Law
- Introduction of Governance Manual of ICAP
- Introduction of Whistle Blowing Policy at ICAP
- Speedy disposal of long-outstanding investigation cases
- Successful organization of CFO conferences locally and abroad
- Successful organization of Public Financial Management Conferences in Islamabad
- Detailed review of the education and examination system to further strengthen its policies and procedures
- Making overseas chapters more vibrant and effective and sanctioning special subsidy to them as and when needed to promote their sphere of activities

### Current Challenges for the Profession

While the above list of Council's achievements is fairly impressive, I see no reason to be complacent as the road ahead is challenging and formidable in various dimensions. As you are aware, the profession has an exceedingly robust and competitive role to play in the national and global economy with the proliferation of technology and e-commerce across borders calling upon its members to be in the forefront of the decision-making process, both financial and otherwise.

People making financial decisions need knowledge and guidance based on the highest technical and ethical standards. Members of ICAP occupy a pre-eminent position to be of service across the economic spectrum better than many. They challenge people and organizations to think and act differently, to provide clarity and rigour, and so help create and sustain prosperity all over the world.

The accounting world of the 21<sup>st</sup> century is increasingly facing regulatory intervention, not only at the national level but also regionally and globally. The extra-territorial reach of regulations coupled with ever-changing user demands and expectations would not allow any let up to those who would be charged with the governance responsibilities of the profession. By the same token, these developments have immense potential opportunities for accountants who can adapt to them.

As a national leader of the accountancy and finance profession, ICAP is proud to promote, develop and support our members. Our members have the knowledge, skills and commitment to maintain the highest professional standards and integrity. They are part of something special. It is with ICAP's support and dedication that our members maintain a professional edge and contribute to the profession.

### My Vision of ICAP as a Council Member for the Next Term

In my view, ICAP's strategic objective is to continue as a national leader of the accountancy and finance profession. I therefore, envision ICAP to continue to build a strong chartered accountancy profession and for its leaders at the helm to be able to lead the

profession in all key financial markets, to promote sustainable growth and build business confidence and trust. ICAP must ensure that CAs continue to be regarded as the premium sought-after qualification so that we attract and retain members in the long-term.

In order to achieve this, ICAP has to continuously strive so that:

- our members continue to be recognized as leaders and occupy prominent positions in business, in the private and public sectors in all key markets of the world;
- our qualification is recognized as the best for global market place;
- we attract the brightest and best talent in the market from all backgrounds;
- we are influential and play a leading role in shaping policies that impact business and the profession;
- our members are gainfully employed and create employment opportunities for them;
- we have the power and influence to convene key decision makers, speakers and think tanks;
- our members maintain high professional standards;
- we grow our student numbers, while maintaining high quality education and examination standards observing international best practices; and
- we make overseas chapters as the most robust and vibrant arm of ICAP.

One of the biggest challenges, possibly in the evolution of the profession, will be the transition taking place in ownership and management of firm and businesses in the next few years. In addition, globalization is no longer just a concept, it's a reality and has huge implications for the regulators – not just the standards setters – but the licensing regulators. The pace of change is dramatic. That is why we cannot understate the importance for chartered accountants to be involved. The decision makers that set the policies and financial regulations are not always chartered accountants. We have to ensure our perspective, our voice is heard at places where it matters most.

Our initiatives for the coming term include continuing the development of strategic partnerships with regulators and other stake holders. We want to be sure that the concentration of knowledge that CAs have is available to the regulators, legislators and government agencies, so that the outcome of legislation or rule making protects the public and the profession.

ICAP's retired members, past presidents and office bearers are assets of the profession. My wish is that they continue to participate in the affairs of ICAP, mostly through the platform of our various committees and it is really a two-way street. ICAP benefits from their experience, expertise and relationship with regulators, and the members benefit because service on the committee keeps them current – they continue to network with members from large and small firms and members in industry.

ICAP's younger members are its strength as they are more updated with regard to latest accounting and auditing standards, more technologically advanced and hard working. They should also involve themselves in various committees of ICAP in order to contribute their share towards its professional and other relevant activities.

Finally, I reaffirm my commitment to the highest standards of the profession and ethical behaviour and look forward to serve the ICAP Council once again with dedication, integrity, objectivity and compassion for my fellow members having regard to the best ethical and professional norms and consideration.





**Shoaib Ahmed, FCA [R-3474]**

### Professional Profile

- Fellow Member the Institute of Chartered Accountants of Pakistan
- Member Chartered Institute of Public Finance and Accounts (CIPFA - UK).
- Serving as Company Secretary Sui Southern Gas Company Limited (SSGCL) since November 2015 and as Acting GM Regulatory Affairs since November 2016.
- Served the Institute of Chartered Accountants of Pakistan (ICAP) from March 2006 to November 2015 as its Secretary, Executive Director Legal and Membership Affairs, Senior Manager Quality Assurance and Senior Manager Legal & Membership Affairs.
- Served as Assistant Director Accounts Department Securities and Investment Division State Bank of Pakistan (SBP) and as Chief Financial Officer (CFO) and Head of Internal Audit in an Investment Bank.
- Article ship from A. M. Laliwala & Co., Chartered Accountants.
- Executive Secretary South Asian Federation of Accountants 2015-16.
- Represented ICAP in the IFAC CEO forum in New York.

### Service to ICAP

- Carry distinction of being the youngest Secretary ICAP. The position requires close liaison with the government departments i.e., Ministry of Finance/ Law, SECP, FBR, ICAP office bearers, members of the Council and membership at large of the Institute for accomplishing various Strategic Objectives and regulatory compliance.
- Experience of working directly with the three Councils of the Institute.
- Well versed with the requirements of CA Ordinance, CA Bye-Laws, Directives of the Council and all the matters relating to membership of the Institute.
- Served as Secretary Investigation Committee (Statutory Committee) ICAP which is responsible for conducting investigation against members and students.
- Actively involved in setting ICAP Strategic direction for 2014-2017.
- Lead person for organizing first three CFO Conferences under the supervision of ICAP PAIB Committee. Lead person for organizing events in ICAP Golden Jubilee Celebrations in 2011-12. The celebrations include three grand international conferences and golf tournaments in Karachi, Lahore and Islamabad.
- First Executive Editor of ICAP Coffee Table Book capturing its 50 years of glorious history. The book was well received by members and received accolades from dignitaries like President and Finance Minister Pakistan.
- Introduced the idea of "Life beyond ISAs" by arranging yearly hard ball Cricket Tournament. The event was very well received by the students as it gave them opportunity to interact with

members on playing field inculcating in them the importance of work life balance.

- Supervised the ICAP elections 2009 and 2013.
- Conducted Quality Control Review (QCR) under Quality Assurance Framework (QAF) of Audit Firms.

### My Vision

While narrating the ICAP's 50 years history document (Coffee Table Book), I have realized that the Institute comes strength to Strength since the day it started its operations in 1961 from a single room provided in the High Court building. Alhamdulillah, it has now own offices in Karachi, Lahore and Islamabad with more than 8500 members and student education support centers (RAETs) in every known city of this Country. Globally, the competence of ICAP members is very well recognized and presence of almost 25% of our membership in seven continents need no further elaboration of their unmatched strength and core competency in the area of finance, audit and accounting matters. However, realizing that the Country is in transition phase, the changing business dynamics and enhanced regulatory requirements in audit and assurance require drastic improvements in certain areas so that the Institute and its membership keep itself shoulder to shoulder with this ever evolving world.

If elected as a Council member, I envision the following key areas that require immediate attention:

- Strengthening the human resource by attracting and retaining talent by offering them career progression, market based compensation and high quality training.
- Empowering the Secretariat to take ownership of day to day affairs of ICAP and the Council should focus on setting the strategic direction, deciding policy matters and performing overall governance rather than involving in the operational affairs. In this regard, a Governance Manual should be evolved setting out how the Institute should operate.
- The concept of "**Nominations Committee**" with sufficient independent element in it should be introduced to bring transparency in the formation of ICAP Committees.
- Evolving long-term roadmap/ tangible action plan of the Institute keeping in mind the needs and expectations of all the stakeholders i.e., members in practice/ industry/ overseas, students, public at large etc.
- While orchestrating the strategy, it is important to ascertain the fact that 85% (Internationally on average 50% members are normally in industry) of ICAP members are in industry having altogether different training and professional development requirements. To understand and cater to their needs at different stages of their career, CPD Committee should be encouraged to envisage concept of "Centre for Professional Excellence (CPE)" and come up with a plan in co-ordination with the two Regional Committees whereby quality local and international training houses be engaged for providing internationally recognized high quality training to our members in the areas of leadership/ team building, change management,

strategic management, practice management, soft skills, ethics, corporate governance etc. CPE should also give special emphasis on capacity building of SMPs in order to improve their quality of services.

- To explore opportunities for ICAP members under CPEC and persuading the Government to assist in getting visa free entry in China to ICAP members.
- Capacity building in the Education and Examination departments.
- Encourage Council for making policy guidelines to ensure that education and examination schemes are reviewed and rationalized periodically with minimum involvement of the Education and Training Committee and the Council.
- To assist the under privileged students in joining the profession by providing them financial support. In this regard, the Endowment Funds should be build up gradually to reach at-least 500 million mark in 2021.

- To enhance coordination with the reputable international accountancy bodies for mutual recognition under reciprocal arrangements.
- Empowering overseas chapters and provision of necessary funding for arranging professional development and social networking events for members.
- To enter into MOUs with leading educational institutes i.e., LUMS, IBA etc., for promoting research in the areas of accountancy, audit, finance and statutory compliance etc., which is almost non-existent in Pakistan. The PHDs emerged under this program can become asset in our education and examination departments in years to come.
- To facilitate members in securing jobs overseas by entering into MOU with leading job providers i.e., BAYT, Jobs in Dubai etc. Similarly, facilitation should also be provided to overseas members in getting jobs who intend to return back to Pakistan.



**Syed Najmul Hussain, FCA [R-1958]**

### Brief Profile

I am Partner and Head of Advisory Services with KPMG Taseer Hadi & Co., Chartered Accountants. I underwent CA training with Taseer Hadi Khalid & Co. (now KPMG Taseer Hadi & Co.) and qualified in 1991. I continued my professional career with the firm and was admitted to the partnership in July 1999.

### Services to ICAP

- Member of the Council since 2013-todate. Vice President 2014-15.
- Member of the Southern Regional Committee for two terms from 2005 to 2013. Chairman 2008-10.
- Member of Executive Committee 2013-2015.
- Member of Professional Standards & Technical Advisory Committee from 2014 to 2017.
- Member of Accounting Standards Board (ASB).
- Member of Members' Affairs Committee.
- Member of IT Committee.
- Chairman of Committee on Accounting Standards for Interest Free Mode of Financing and Investments (now working group of ASB) since 2013.
- Member of Technical Advisory Committee (TAC) 1999 to 2015. Chairman 2014 to 2015.
- Member of Education & Training Committee (ETCOM). Chairman since 2015.
- Member of Examination Committee since 2013. Chairman 2014-15.
- Member of Accounting Standards Board of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).
- Represent CA Pakistan on certain committees of South Asian Federation of Accountant (SAFA).
- Represent CA Pakistan on Marketing Directors' Committee of Chartered Accountants Worldwide.

### Ideas and Views about ICAP

Through my long association as elected member since 2005, I have gained first-hand knowledge and experience of managing affairs of CA Pakistan. I am a team person able to form good working relationships with my colleagues. My philosophy is "change is the only constant - be the proponent of change". I believe that accounting profession in Pakistan is faced with no other choice but to transform, to face the competition from domestic and international bodies and remain relevant in this increasingly complex and volatile environment. We can only succeed with continued effort for transformation to remain competitive and relevant through thought leadership, and investment in right strategies and resources.

Since its formation our institute endeavored to achieve high degree of excellence and remain relevant to retain public trust. The changing times now bear greater demands on the profession to retain the mantle of "public trust".

The current Council on taking charge in 2013 set out certain objectives and targets. These objectives and targets and progress there against have regularly been communicated to the membership through annual and periodic reports. I cannot boast that we achieved fully what we set out for ourselves but I can say with conviction that we achieved significant portion of those targets. I can also say with full sincerity and conviction that whatever remains was not due to any lack of effort or initiative but because of unanticipated challenges and tasks which confronted us during this period which required divergence of our attention and resources.

The lack of understanding of a segment of membership delayed certain key initiatives, which not only put us at cross roads with the regulators but also at odds with high standards and values

with which our profession is held in esteem. A certain segment of our members question our role as regulator. We need to guard against such trends and continue to strive to achieve high quality and ethical standards. In saying this I acknowledge that it is the differing views and divergence of opinions that derive us to excel and do better.

Through my association with various committees and task forces I played my due role in the development and implementation of certain key initiatives including:

- Revamping of Quality Assurance Framework with more structured and transparent process of quality review, certification or withdrawal thereof and appellate process.
- Developing Governance Manual of the Institute.
- Setting-up of Accounting Standards Board with broad based representation from key stakeholders.
- Introduction of Training Out-side Practice regime, to cater to increasing student base.
- Introduction of framework for registration of school systems as our partner education providers to attract quality students in these institutions and to provide quality education environment.
- Introduction of Professional Accounting Affiliate scheme to provide better prospects for our part qualified students.
- Updating study materials and introduction of Computer Based Exams at AFC level and commencing and completing project for introduction of multi subject assessments.
- Developing quality review framework for all firms and revisions to practice licensing regime.
- Enhancing consistency and quality of paper setting process through introduction of Subject Specialist, introduction of independent assessment of question papers and suggested answers post examination, etc.

Key initiatives concluded during this tenure where i played my due role as council member:

- Revamping of Investigation Committee and process to make it more independent and transparent, with introduction of independent members from outside the Council.
- Branding of Institute as CA Pakistan, in line with developments in other similar bodies.
- Active engagement with SECP for the establishment of independent Audit Oversight Board, to enhance public trust in audits of listed entities.
- Setting up of Members' Affairs Committee.
- Enhancing communication with stakeholders in the form of President's Communique and sharing of summary of Council decisions.
- Structural and administrative strengthening of CA Pakistan secretariat; induction of Executive Director Education & Training overseeing two dedicated functions, education and training with dedicated resources, induction of Executive Director for managing affairs in northern region, setting up 6 new offices including Sukkur - Sindh, Quetta – Balochistan, Mirpur - Azad Kashmir, Abbotabad – KPK.

Initiatives where as member or chairman of committee and tasks force we continue our efforts are:

- Augmenting IT capabilities for efficient operations, better interaction with and quality services to all stakeholders.

- Proactive engagement with, members, students, education and training providers, etc.
- E-marking of exam papers to make exam process more secure and enhance its efficiency.
- Long term education delivery strategy.

Other initiatives in progress where I am contributing as council member are:

- Amendments to CA Ordinance to align with current needs, final draft under preparation.
- Strengthening of Quality Assurance, Examination, Technical, Legal and Members Affairs, Education and Training, IT, etc. efforts are ongoing to fill up resource gaps in these key areas of our operations.
- Setting up fund generation function to augment resources of students' endowment and members' benevolent fund.

Our continued dialogue for mutual recognition with leading professional bodies of the world, resulted in mutual recognition with CPA Canada, CIPFA and CIMA. ICAEW offered Pathway program for our experienced members, in addition to membership route currently available to all members under MoU. Our collaboration with SOCPA continues to grow and enhance CA Pakistan brand in Saudi Arabia. We held first joint conference in Jeddah, Saudi Arabia, while I was VP.

The overseas members continue to remain in focus of the Council. The overseas chapters operate with mixed results, but are becoming focus of members in their regions. The Council is supporting these elected bodies for not only engagement with our members but also promoting CA Pakistan brand in those regions.

We engaged in productive discussions with Competition Commission to resolve differences, the results of which will be shared with members in coming months.

We continue to use both legal and other channels to address the menace of unauthorized and unregulated accounting bodies. An area where we could not make significant headway is to develop and create business opportunities for SMPs. This critical segment of our profession continues to look for significant growth opportunities. We as a profession need strong and vibrant SMP segment and we all need to play our due role for development of this segment.

We are working to realize our vision for expanding our boundaries and making our qualification global. We held our first overseas CFO Conference in Dubai while I was VP and it is now being established as an annual event.

I believe that we can expedite achieving our objectives, by inculcating the sense and belief in commonality of interest. I believe that we have initiated process which inculcates more inclusive approach to decision making, promote openness and transparency, but we have miles to go.

We as a profession need to be more proactive in our approach to deal with the future. We can achieve this by re-assessing and re-articulating our long term vision for the profession and developing a plan to meet the desired vision.



## Zone A - Southern Region

# Regional Committee

### 09 Candidates

1. Abdul Rab, FCA
2. Arsalan Iftikhar Khan, ACA
3. Arslan Khalid, FCA
4. Husnain Raza Badami, ACA
5. Mohammad Zulfikar Akhtar, FCA
6. Muhammad Fahim, FCA
7. Shariq Jafrani, ACA
8. Syed Muhammad Adnan Rizvi, FCA
9. Zulfikar Ali Causer, FCA





## Abdul Rab, FCA [R-3298]

Partner, Financial Advisory,  
Deloitte Yousuf Adil, Chartered Accountants

### I- Professional Background

#### a) Professional Qualification

Name	Year
Institute of Chartered Accountants of Pakistan	2000

#### b) Professional Career

- Leader Financial Advisory Services– **Deloitte Yousuf Adil** (Deloitte Pakistan)

#### c) Professional Experience

- Professional career started in 1994 as a CA trainee from **Ford Rhodes Robson Morrow, Chartered Accountants** (Now known as EY Ford Rhodes presently – a member firm of EY International).
- Have been associated with **Deloitte Yousuf Adil, Chartered Accountants** (member firm of Deloitte Touche Tohmatsu Limited) since 2002. Having served Deloitte Yousuf Adil for over a decade and half, I am currently a Partner and represent the firm, as the **Leader, Financial Advisory Services**.

### II - Personal Statement

- I live by a very simple code in life, in the words of Confucius, 'Choose a job you love, and you will never have to work a day in your life'. This code keeps bringing me back to serving one of the finest professions that Pakistan has to offer in order to make it a benchmark of excellence to the academia, at large. That is my secret to managing work at Deloitte Pakistan and at ICAP.
- I am honored to have served the ICAP's **SRC since 2014 to 2017** in the capacity of CASA Chairman, CPD Convener, Honorary Secretary and Chairman. I also served in various committees of ICAP i.e. Publication Committee and Economic Advisory Committee (2016-17).
- I believe that the coming term (2017-2021), will be a crucial time for ICAP in purview of the dynamic changes taking place in the economy of Pakistan, due to the strategic role of CPEC and technological advancements. It will be more important than ever for ICAP to have visionary leaders who can see beyond the status quo and not only embrace change but to be ahead of the change.
- If elected, I endeavor to continue my services to the ICAP SRC, with your support, and be able to continue helping and supporting members/students among other stakeholders, both in the industry and practice.

### III - Vision for ICAP

#### CPD Activities

##### Seminars

During my tenure in the SRC, our committee introduced the activity of **organizing seminars** on critical topics and ensuring the **presence of key experienced members** in seminars as to provide members and students the opportunity of face to face interaction and help achieve an understanding of the industry. I hope to

continue this activity, as I believe it is imperative to provide our members and students an opportunity to be able to learn about industry dynamics and personal experiences of learned professionals whose footsteps, they aspire to follow.

Increasing **Knowledge Base and Skill Set** of members and students is essential, including catering to current and potential challenges that members and student might face in future, taking into consideration the ever changing landscape of our Profession e.g. facilitating foreign language classes at ICAP (*specifically Chinese in the backdrop of economic developments taking place in Pakistan*), along with technology based trainings on topics like data analytics, big data awareness, digital banking, etc.

##### Webinars

One of the key areas which we should promote is to increase our capacity to provide **e-learning**s to our members and students as a need to address the extremely busy schedules of our fellow professionals by giving the opportunity to keep themselves updated with all latest professional developments **through webinars** so as not to miss out on key learning topics.

##### Increased Regulatory Role

I understand that liaising **with relevant regulators and governmental bodies** is essential. At SRC, it will be the focus to increase the involvement and provide value addition to the regulatory process through enhancing the level of consultation in policy making initiatives through greater participation in seminars and round table discussions on key matters.

##### Facilitation

We need to provide a central place equipped with all necessary equipment to facilitate our students and members alike as well as addressing their requirements. This can be achieved through establishing **Centre of Excellence and improving members' Library** at ICAP focusing on skill set in demand, thereby conducting workshops to help members and students attain skills which they believe are essential to their training.

##### Technology

As a part of modernization of processes, I believe a **Mobile Application** needs to be developed for members to be able to resolve all their concerns online. If formed, it will help us better serve our members well all around the world.

##### Social Activities

Since our profession can be extremely stress inducing and hectic, therefore, I believe it is essential to **organize social, family gatherings and literary evenings** to promote social well-being of professionals so that members can relax and socialize with their industry peers without the workplace stress. This will be continued in the coming term also.

##### Gender Equality

It is important to promote equal opportunity and given the

high number of females enrolled in ICAP as well as working in significant designations throughout our profession, I will continue to encourage **Female Participation** in the profession and activities of the institute. The present women forum can also play a pivotal role in promoting the activities related to professional development.

#### **Capacity Building and Brand Enhancement**

Focusing on Institute's **Capacity Building and Brand enhancement**. I believe SRC can play an important role in this by supporting the Council and the Secretariat, through awareness

seminars and visiting the schools, colleges and Universities in collaboration with the ICAP's team.

Quoting Michelangelo 'The greater danger for most of us lies not in setting our aim too high and falling short; but in setting our aim too low, and achieving our mark', hence, we should set ambitious goals and endeavor to achieve them. Success always lies in keeping the bar high and with crisp focus.

At the end I would like to wish the Institute and members success, in all future endeavors.



### **Arsalan Iftikhar Khan, ACA [R-5182]**

Chief Financial Officer & Company Secretary  
Pakistan International Bulk Terminal Limited  
(A Marine Group Company)

## **I - Professional Background**

### **a. Professional Qualification**

- Member of Institute of Chartered Accountant of Pakistan (ICAP)
- Member of Institute of Corporate Secretaries of Pakistan (ICSP)

### **b. Professional Career**

- Head of Finance and Corporate

### **c. Professional Experience**

I have over 17 years of experience in the field of accounting, taxation and corporate finance. I have been working with Marine Group since 2008, supervising the financial and treasury activities of the organization and presenting and reporting accurate and timely financial information of the company. Prior to joining Marine Group of Companies I was working with a telecom company as financial controller after his training from Ernst & Young Ford Rhodes Sidat Hyder.

### **II - Professional Statement**

I am contesting for ICAP Southern Regional Committee and am taking a stand for the positive role that Chartered Accountants can bring to business regarding Integrity and Ethics in the purview of changing economic dynamics of Pakistan. When I qualified, I was proud to become a member of a recognised professional body which represented for me the highest standards of ethical, professional and sound client advice in business. I believe that it is our role to ask the difficult questions of clients, to uphold professional standards and to speak out to challenge the status quo in the business and political world, as required.

### **III – Vision for SRC - ICAP**

- To organize discussion sessions and lectures catering to both the industry and professional services sector by renowned financial and business experts.
- To arrange more specialized and focused course for financial, operational & administrative heads.
- To arrange session with prominent Chairmen, Company Heads/ CEO's and CFO's on their expectations from newly qualified chartered accounts.
- To enhance CPD Credit Hours mechanism by adding excellence in seminars and workshops and promote mechanism to support members to get credit from professional learning and

achievements gained in their roles and duties in industry.

- To enhance e-conferencing webinars & e-learning environment to equip professional accountant and members with business management skills.
- To design training courses for members to equip with skills and learning required to be head of organization and entrepreneurship.
- To design events and occasions to bring more cohesiveness in members to improve social interaction within members viewing members as a social segment in our society.
- To make policies to support members in competing others professional bodies

### **Facilities to Members**

- To provide networking opportunities for a firm foundation and strong business relationship.
- To provide opportunities for interaction with our seniors and new members by making it productive for both individuals and also the Institute.
- To arrange sporting events and activities like cricket and golf tournaments for all the members.
- To enhance facilitation to the members through online services like e-payment of fee, downloading, uploading of different formats and professional queries and Institute member related matters.
- To create new platform for members for discussing and resolving issues and give members the skills, learning and training to compete.
- To develop working relationship with Northern Regional committee (NRC) and Southern Regional Committee (SRC).

### **Future Leaders**

- To arrange workshops on leadership, managerial and negotiation skills to produce future business leaders.
- To arrange workshops for self-improvement for helping students to face tomorrow's challenges in both professional and academic careers.
- To promote initiative of short education sessions for CA students preceding the examinations.



**Arslan Khalid, FCA [R-3480]**

### **Brief Profile**

I am working as a Partner in EY Ford Rhodes, Chartered Accountants. I joined the firm in the year 1997, qualified as Chartered Accountant in the year 2001 and promoted as Partner in the firm in the year 2007. In aggregate, I have over 17 years of experience in the audit and accountancy profession and currently serving as a member of the Southern Regional Committee (SRC) of the ICAP. I also served as the Chairman of SRC and the CPD convener in the years 2015 and 2016 respectively.

In the firm, I am leading the Financial Accounting and Advisory services segment and also the technical & professional practice group for Pakistan and Afghanistan region. I am also the engagement partner for various audit engagements in the financial services sector.

Besides the audit engagements, I also regularly participate in the International Audit Quality Reviews of EY offices and have led the Audit Quality Review teams for various parts of Europe including UK, Netherlands, Italy and Belgium.

### **Contribution to the ICAP**

In addition to my role as a member of SRC for the last four years, I am also a member of the Financial Services Committee and the Coordination Committee of ICAP with the State Bank of Pakistan. From the ICAP forum, I participated as speaker in seminars and stakeholder consultation sessions on important topics including "Key Changes in the Auditor's reporting under the revised international standards" and "IFRS 9 – New accounting model for financial instruments".

In the past, I also served as a member of Quality Assurance Board of the ICAP and member of its Technical Advisory Committee for a continuous period of 3 years.

### **Ideas and Views Regarding Activities of the Southern Regional Committee**

During my tenure as a member of SRC, I worked with a team comprising of high quality professionals (my fellow SRC members) and we together made best endeavors not only to scale up the

quality of SRC activities and programs but also introduced new initiatives to enhance networking opportunities for members such as social/charity events and annual dinner for members.

We invited trainers from outside Pakistan to provide insights on the global and regional perspectives such as on application of IFRSs. Web-based seminars were also organized to facilitate the members to remotely attend seminars including from overseas locations.

However, I recognize and acknowledge that much more can be done from the SRC forum to address the needs of our members in the rapidly changing professional and business environment. For instance, the professional development programs may be more beneficial if structured based on industry-specific research to provide more relevant and in-depth knowledge on key professional trends and challenges. Also, technology orientation in this age of digital transformation is highly critical and hence, focused sessions are required to analyze the impact of technology on the future of our profession in order for us to take right initiatives at the right time.

I also believe that SRC can play a vital role in relation to the job and career progression opportunities for the membership through bridging the gap between corporate sector and our members. For this purpose, in my view, ICAP should consider establishing a Career facilitation center under the supervision of Regional committees to closely interact with the businesses and young and experienced chartered accountants and help in the placement of most suitable professionals in the business and industry.

I am also of the view that our CA students are one of the most important elements of our profession and in fact represent our future. Therefore, CASA forum should be leveraged to enhance learning opportunities such as through international exchange programs.

With the above views, I look forward to serve the ICAP's Southern Regional Committee with additional zeal and enthusiasm and in the best interest of the members.



**Husnain Raza Badami, ACA [R-6669]**

### Election Statement

*"What motivated me to offer myself for this position is the scope / domain of Regional Committee, that is largely Members' CPD/ trainings, Students' affairs (e.g. CASA) and Members' library, to which I believe I can greatly contribute with my services and vision to the alma mater that has given us so much!"*

*My professional experience during past 6+ years revolves around corporate trainings, teaching, student counseling, and L&D which provided me thorough understanding of its challenges and growth opportunities. As a member SRC, I will, Inshallah, prove to be instrumental in taking it to the next level."*

### 1. Brief Particulars of the Candidate

**Name:** Mr. Husnain Raza Badami, ACA

**Professional experience:** 10+ years

**Teaching / training experience:** 6+ years

### 2. Positions Attained in Organisations and Other Fields of Service

#### Professional Qualifications

- Associate member of ICAP (ACA)
- Masters in Philosophy (Area of interest/ research 'Critical Thinking')

#### Professional Experience Summary

"A versatile **professional /entrepreneur with 10+ years of service experience** in leading accounting, business process re-engineering advisory, internal auditing, external auditing, and outsourcing services.

In addition thereto, a popular teacher with **6+ years of professional teaching experience of CA Final 'Advanced auditing'**, and also engaged in providing corporate trainings on finance & ethics based topics to numerous middle and senior professionals from banks, leading multinationals, and top local organisations."

#### Past experience

- Manager Assurance, Ernst & Young (Karachi, Dubai, and Jeddah offices)
- Internal Audit, Engro Polymers & Chemicals Limited

#### Present experience

- Partner at **REDWOOD GLOBAL SERVICES**, a consulting firm providing outsourcing solutions;
- Master Trainer and Director at **INGENIUM TRAINING SOLUTIONS**, a corporate training firm that specialises in Finance & Ethics trainings.
- Senior **lecturer of CA Final 'Advanced Auditing'** at **KnS Institute** of Business Studies

### 3. Key Achievements

- Widely popular teacher of CA Final Advanced Auditing** with **2,300+ CA Final students** taught to-date during last 6+ years;
  - Credited with alumni of **800+ CA qualified students**
- Founded **REDWOOD GLOBAL SERVICES** and expanded its operations to Singapore, Canada, and Pakistan (Karachi & Lahore);

- Co-founder of **INGENIUM TRAINING SOLUTIONS**; successfully trained professionals on finance and ethics topics, notably from Bank Al Falah, NIB Bank, Bank Al Habib, Bayer Pakistan, Soneri Bank, Byco, Jubilee Insurance, Linde Pakistan, EFU General, Hubco, Pakistan Petroleum, Engro Corp, Engro Foods, Engro fertilizers, Cyan Limited, Grand Thorton, Pakistan Refinery, Atlas Honda, PARCO, Orix Leasing, etc;
- Founding board member of **EDLAB Pakistan**, a pioneering teacher training organisation

### 4. Previous Service to the Institute, or its Council, Regional Committee or any other Committee(s); and

- 2300+ CA Final students** taught to-date;
- Alumni of **800+ CA qualified students**;
- Regularly conducted various **seminars and workshops** on Ethics, Internal Auditing, Advanced Auditing organised by **Chartered Accountants Students Association (CASA) / Southern Regional Committee (SRC)**;
- Regularly **conducted CA students counseling/ career guidance sessions**;
- Actively **engaged in Job placement services** of students and members;
- Board member of EDLAB Pakistan**, a non-profit organisation that specialises in teacher training and curriculum development.

### 5. Ideas and Views of the Candidates about the Activities and Contributions of the Institute to the Profession of Chartered Accountants

**As a member of Southern Regional Committee, I would be keen to:**

- develop a **Centre of Excellence** to promote Technology, Data science skills, Entrepreneurship, Leadership, Strategy, and Management Programs in collaboration with leading institutes;
- create an **effective Job placement mechanism** in close collaboration with *Northern Regional Committee* for members, affiliates, and unqualified members, specially focusing on 'unemployment support' for members;
- initiate **multi-layered trainings** after a thorough industry research for need analysis of members' L&D;
- initiate **industry-wise and cross-industry training excursions** for enhanced learning and networking of members;
- facilitate in creating an **Entrepreneurship support mechanism** in collaboration with leading incubators, specially supporting start-up audit firms;
- initiate **SMP L&D support** for commencing tier-wise trainings for its trainees;
- build a **student exam counseling program** (subject-wise) to facilitate in ascertaining the right approach;
- develop a **multi-layered student mentoring program**;
- initiate **learning-festivals for students** to promote skills that industry needs;
- enhance **funding and outreach for need-based scholarships** to students.





**Mohammad Zulfikar Akhtar, FCA [R-3701]**

In relation to the upcoming ICAP Elections 2017 for the Southern Regional Committee (SRC), I am glad to have this opportunity of sharing some of my particulars, achievements, contributions to the institute and thoughts.

Joining my articles training in A. F. Ferguson & Co. in March 1998 after passing the Foundation Examinations of ICAP, I passed the Professional Examinations of ICAP in June 2001, becoming a member in June 2002. I also became a member of the Association of Chartered Certified Accountants in December 2000, and received CFA charter in September 2007. Presently, I am a fellow member of the ICAP.

After completing the articles training in March 2002, my association continued with A. F. Ferguson & Co. where presently I am a partner working primarily in respect of Integrated Advisory Engagements covering the vast spectrum of transaction advisory including deal structuring, business and instrument valuations, mergers and acquisition, etc., ownership and holding structures advisory, business ownership and governance inheritance strategy and execution, etc. from the stand point of corporate, taxation, foreign exchange and foreign laws and related perspectives and matters.

I have also remained involved with the ICAP for a number of years through my active participation with various committees of the institute, especially:

- Accounting and Auditing Standards Committee (AASC)
- Accounting Standards Committee (ASC)
- Technical Advisory Committee (TAC)
- Continuing Professional Development Committee – (CPD Committee)

A keynote speaker in many seminars and workshops of the ICAP, I have shared my views and generated debate on certain key pronouncements in respect of International Financial Reporting Standards (IFRSs), International Standards on Auditing (ISAs) and Corporate Laws, especially the recent Companies Ordinance, 2016 and the Companies Bill 2017.

I am also serving on the present Southern Regional Committee that was elected in 2013 for the term 2013-2017, and being a member of SRC, have served as:

- 2013-14: SRC's Coordinator for Chartered Accountants Students' Association (CASA) activities
- 2014-15: Honorary Secretary of the SRC
- 2015-16: Chairman of the SRC
- 2016-17: CPD Convener for the SRC

As part of the above, working along with my other colleagues at SRC, the key achievements included:

- restoring and regularising the constitution and elections of CASA.

- enhancing the tradition of foreign delegates of their accounting student bodies visiting and participating in the events conducted by the CASA, and CASA students visiting and participating in the events of student bodies of other foreign countries, especially those in the SAARC area.
- enhancing the internal financial reporting disciplines and protocols, including orderly plan for the regular meetings of the SRC based on an agreed calendar.
- strengthening the resources for the student and members at various libraries of the institute.
- uplifting the overall image and effectiveness of CPD activities through introduction of seminars and workshops in coveted areas and topics of softer skill, greater financial issues facing the present business and professional world, challenges to the profession, relevant technology initiatives and developments, etc.
- enhancing interaction of our members with the speakers from the greater financial world for exposures to what's happening in the bigger professional and international arena and generating relevant debate about difficult emerging topics.

ICAP is the regulator of the profession of accountants in Pakistan, and accordingly, has broader responsibility towards all the professional accountants. Continuing towards this responsibility of the institute, as part of the SRC, I strive to continue working towards:

- further outreach to understanding and meeting the specific requirements and needs of professional accountants, especially those working in the industry, through fora that ensure greater participation in number and two-way interaction.
- enhancing the use of technology for promoting the interaction and professional learning.
- creating opportunities for leveraging onto the work experiences of members working in profession, in industry, and those working overseas.
- improving the participation and interaction from the female members of the institute recognising the potential of great contribution from them and the need for greater gender balance in the profession.
- generating debates at the ICAP fora in respect of the relevant topics affecting the profession ensuring presence from the regulators and government office bearers to enhance the level of consultation in policy making initiatives and resolution of operational matters.
- requisite networking between the members, both in practice and industry, for sharing of the available opportunities and openings for better work placements of members and the students.



**M. Fahim A. Rauf, FCA [R-3497]**

### Vision

"As a finance professional & business leader I have a broad perspective on the role of accountancy in the wider business world. With my experience & professional network, I want to use this to elevate further ICAP and the profession."

### Professional Memberships

FELLOW MEMBER OF

**Institute of Chartered Accountants of Pakistan (ICAP)**

### Professional Experience

**2002—PRESENT**

PARTNER AT

**PKF F.R.A.N.T.S CHARTERED ACCOUNTANTS**

**1997—2001**

WORKED AT

**KPMG TASEER HADI & CO**

### Vision for ICAP Regional Committee

- Improving access & quality of CPDs.
- Assisting council in engagement with members and students of ICAP.
- Enhancing role and effectiveness of CASA.
- Expanding International Prestige of ICAP.
- Developing Leadership – Many ICAP Accountants rise to senior roles, and more could do so.
- Assisting members to acquire the leadership, vision, and strategic thinking required to be CFO and CEO.
- Providing social and family entertainment
- Interaction opportunities for members & students.
- International tours for ICAP families

### Contributions to ICAP

- Member Small and Medium Practices
- Member Publication Committee
- Represented ICAP at China Accounting meeting.

### Area of Expertise

- Audit & Assurance
- Advisory Services
- Family Governance
- Mergers & Acquisitions
- Investment Advisory
- Forensic Audits
- Public Listings & Corporate Affairs
- Due Diligence
- Business Re-Structuring
- Resource Optimization
- Enterprise Resource Planning & Process re-engineering, (ERP)
- Information System Audit

### Key Positions

- Ex- Finance Convener Karachi Club Managing Committee.
- Past member of the Managing committee of the Karachi Income Tax Bar Association
- Member of the Memon Professional Forum
- Worked with European Union and the Ministry of Finance.
- Represented at Ministry of Finance & Commerce.
- Certified Trainer for Family governance business.

### Global Insights & Countries Visited

- |            |                |
|------------|----------------|
| ▪ Germany  | ▪ Netherlands  |
| ▪ Italy    | ▪ China        |
| ▪ India    | ▪ Saudi Arabia |
| ▪ Thailand | ▪ UAE          |
| ▪ France   | ▪ Belgium      |
| ▪ Turkey   | ▪ Hong Kong    |
| ▪ Jordan   | ▪ Malaysia     |
| ▪ Srilanka | ▪ Singapore    |

### Hobbies

- Swimming
- Yoga



**Shariq Jafrani, ACA [R-5457]**

I am a member of the Institute of Chartered Accountants of Pakistan and registered with Institute of Chartered Accountant of England and Wales for professional stage. I am also holding a Master Degree in Economics and Post Graduate Diploma (PGD) in Computer Sciences from Karachi University.

I started my career as a trainee with Ernst & Young (E & Y) Chartered Accountants from where I completed my chartered accountancy mandatory training period and later on worked on position. During my stay with E&Y, I was deputed to different locations of E&Y which include London, Edinburgh, Glasgow, Cape Town and Johannesburg offices.

After the long association with E&Y, I joined CDC in the year 2008 in the Company Secretariat Department and later on worked in Product Development before assuming the responsibility of Senior Manager Budgeting and Planning.

In addition to role as Senior Manager – Budgeting and Planning, I was also serving as CFO & Company Secretary of ITMINDS Limited - a wholly owned subsidiary of the Company till June 30, 2014.

Currently, I am holding the position of CFO and Company Secretary of CDC, and have also served as Chief Internal Auditor.

### Contribution of ICAP to the Profession

ICAP is making remarkable contribution for its members and society at large where they are developing markets by helping our members to change and develop - ensuring that the strategy is achieved, and that we are "developing professional accountants the world needs". This initiative is continuing to make ICAP members more successful and enhancing their recognition and increase their employability.

I believe the importance of our profession to the economy has never been greater than in these current environment where Foreign Direct Investments, MSCI and CPEC projects are on its way. Chartered Accountants are the drivers of economic growth through their expertise/advice and its only because of support of ICAP that it members are achieving this. Counsel and committees shapes excellent strategies which contribute to the development of our profession.

I would be honored to represent Southern Regional Committee and believe that the region has enormous potential to continue playing its role, supported by a flourishing professional services sector. I would also like to reinforce the representation of younger ICAP members at different sub-committees. This group is the future of our profession and I believe it stands to benefit most from a strong and supportive Institute.



**Syed Muhammad Adnan Rizvi, FCA [R-3112]**

### Brief Profile

I am currently heading the Deal Advisory practice of KPMG Taseer Hadi & Co (KPMGTH). Having over 17 years of post-qualification experience, I have carried out various audits and financial advisory assignments both in Pakistan and in the United Kingdom. I have led various Mergers & Acquisitions related advisory engagements for local and multinational clients covering the areas of transaction structuring, due diligence, valuation and negotiation.

I am a Member of the Corporate Finance Faculty of the Institute of Chartered Accountants England and Wales. I carried out a 2 year secondment in the Financial Services practice of KPMG London during which I worked on various assignments for international clients including Bank of America, Citibank, Allied Irish Bank GB and New Star Extra High Yield Bond Unit Trust.

I have attended various international trainings including KPMG's accreditation trainings for both Corporate Finance and Transaction

Services. I have also attended a summer course on Finance at the London School of Economics.

Based on my experience and trainings, I have been designated as an accredited valuation specialist by KPMG's Global Valuation Committee and am a member of KPMG's Global Valuation Team. I enjoy public speaking and have participated in numerous seminars/conferences as a speaker and/or a panelist both locally and internationally.

### Key Positions Attained

- In January 2007 I was inducted as a Partner of the firm and was simultaneously assigned the responsibility of leading the Deal Advisory department of Karachi office
- In February 2010 I was designated as the Country Head of the Deal Advisory practice for KPMGTH
- In 2012 I was appointed at the Quality Performance Liaison

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Partner for the Deal Advisory practice of KPMG Middle East South Asia (MESA) Practice

- In 2015 I was included in the select group of KPMG's Global Quality Performance Lead Reviewers for Advisory Services

### Key Achievements

- First professional within KPMG MESA practice to be accredited as a Valuations Specialist by the Global Valuations Committee of KPMG
- One of the few Pakistan based members of the Corporate Finance Faculty of the Institute of Chartered Accountants of England & Wales

### Previous Service to ICAP

I am about to complete one 4 year term as a member of the Southern Regional Committee (SRC). During this tenure the key achievements of the SRC included organizing multi-faceted cutting edge seminars & workshops to cater for the demands of the ever growing needs of the professional community in general and our members in particular. Further we also organized attractive social events which were extremely well appreciated by the members.

In consultation with my SRC colleagues I took on the responsibility of the CPD Convener during the 1st year of our SRC tenure and having their full support I tried my level best to set the trend for the entire tenure since I considered organizing CPD activities as the single most important function of the SRC. The key achievements of my tenure as CPD Convener were as follows:

- Organized seminars on current topics of general business interest such as IMF Programme
- Organized seminars on hot professional topics such as FATCA
- Organized seminars on core topics such as IFRS involving international trainer
- Organized seminars/workshops on soft skills involving leading global and local trainers
- Organized Workshops in collaboration with Global Institutes such as the one titled "The CFO – Becoming a Strategic Partner"
- Organized a unique social event namely "An Evening Full of Humour & Satire" featuring Mr. Ata-ul-Haq Qasmi
- Brought top professionals as speakers and panelists during the seminars
- Started the practice of sending an event update to the members through email, on the very next day of the event wherein link to presentations made during the seminar was included

I would like to reiterate that none of the above could have been possible without the support of each & every SRC colleague particularly Mr. Junaid Shekha who was the Chairman SRC during my stint as the CPD Convener.

### My Vision

The accounting profession has developed significantly around the world and Chartered Accountants have moved on from being auditors to business advisors covering the vast fields of accounting, finance and strategy. ICAP has played a dynamic role in the development of the accounting profession in Pakistan by way of providing visionary leadership. However in my view the primary focus has always been on Audit & Tax related service areas whereas in my view it is about time that we also bring Advisory services under the radar since globally these are developing significantly.

My vision of ICAP is of an Institute which plays a key role in development of advisory services especially those related to Corporate Finance, Transactions Advisory, Infrastructure Advisory, Data Analytics & Forensic since these areas have the potential of achieving phenomenal growth whereby ICAP can act as a catalyst. Being a candidate for the SRC, the specific steps which I envision during my next tenure include the following:

- Diversifying the ambit of CPD activities by holding seminars/workshops on non-traditional topics covering the advisory service areas mentioned above
- Developing a focus on Webinars whereby global trainers can be brought in at a nominal cost for the benefit of the overall membership
- Organizing more workshops on soft skills and bringing international trainers on board
- Organizing more social events keeping in view the feedback received from the members
- Acting as a sounding bounding to the Council for issues related to CA students by highlighting these in an effective and timely manner
- Arranging effective soft skills trainings for CA students in collaboration with CASA

***I sincerely hope that I would be provided the opportunity to contribute towards achievement of the above vision for the benefit of the profession in general and fellow ICAP members in particular.***





## Zulfikar Ali Causer, FCA [R-4518]

Partner  
National Head of Audit and Risk Advisory Services  
BDO Ebrahim & Co.

### Personal Objective and Statement

As a third generation member of our Institute, I am keenly aware of the profound impact our qualification and membership brings to us as professionals, to our families, to our communities and to our country. My objective to participate in this election is driven by a desire to uphold the values upon which this Institute was founded, to aid in building relationships within our professional community and to contribute towards building an inclusive culture at our Institute. I believe my membership with an international Institute will allow me to contribute uniquely in terms of being able to bring innovative thoughts to the activities that concern the Institute.

### Professional Background

#### Education, Degrees and Qualification

- Karachi Grammar School (O and A Levels)
- Queen's School of Business, Queens University, Kingston, Canada (Bachelors of Commerce (Honours))
- Chartered Accountant (FCA)- Fellow Member of Institute of Chartered Accountants of Pakistan
- Member of the Canadian Institute of Chartered Accountants through Institute of Chartered Accountants of Ontario (CPA, CA)
- Completed Derivatives Fundamentals Course and Canadian Securities Certification
- IFC Certification on Corporate Governance
- Graduate of BDO International Global Partner Leadership Program 2015

### Positions Attained in Organisation and Key Achievements

Zulfikar Causer qualified as a Chartered Accountant with Ernst & Young in Toronto, Canada in 2004 and is a member of the Institute of Chartered Accountants of Ontario and the Canadian Institute of Chartered Accountants. He is also Fellow Member of the Institute of Chartered Accountants of Pakistan. He has also completed the Canadian Securities Course and Derivative Fundamentals Course as part of the Derivatives Market Specialist designation.

Zulfikar joined BDO Ebrahim & Co. in 2005 as Manager Audit & Specialist Advisory Services and has been leading assurance and advisory teams in several client sectors including financial services, manufacturing and not for profit. He was promoted to Senior Manager in 2007 and Partner in 2009. He currently leads the Firm's National Audit and Risk Advisory Service practices.

Zulfikar plays an active role in the training and development of the Firm's professional staff. In this capacity he has attended several training courses of BDO International on IFRS, US GAAP, Governance, Risk, Controls and Integrated Audits. He has completed several leadership programs including New Partner's Conference held in Paris in mid June 2009 and in 2015, Zulfikar

was selected as one of seven partners globally to participate in the prestigious BDO International Global Partners Leadership Program.

### Previous Service to the Institute

- Member of the Quality Assurance Board of the Institute
- Member of the Technical Advisory Committee for the past six years
- Member of the Financial Sector Committee - three terms

### Ideas and Views for Activities of Institute

- The past Committee members have worked diligently and brought some excellent programs and activities to the members. Some additional thoughts include the following:

### CPD Events/Technical training

- Develop events and identify content which is diverse in thought and results in active intellectual discourse for members. Use of technology to aid in enhancing outreach of events and to gain access to international scholars and speakers.
- CPD events to include workshops which may be more effective in content retention and thereby aiding in professional development. Professional diplomas may be considered for specialty areas.
- Focus on programs to assist in enhancing communication skills of members (written and/or oral communication)

### Social events

- Identify events of interest of varying categories so as to enable attendance by wide group of members (all ages, all genders).
- Senior members luncheon, family gatherings, musical events, travel events, etc. may be considered
- Enable Institute and its members to participate in more philanthropic activities and volunteering opportunities by collaborating with leading NGOs

### Student affairs

- Work collaboratively with CASA to understand their needs and objectives and support their activities
- Improve upon content and accessibility of libraries, including through electronic access/use of technology
- Support the Council/Institute in advancing the agenda of excellence in technical education

### Community building / mentorship

- Building upon the good work done by introduction of mentorship program, create a platform for career counseling and also for student examination counselling.

### Building CA Pakistan Brand

- Work as an ambassador for the brand "CA Pakistan" in all forums including regulators, other Institutes, etc.
- Work towards building a more cohesive and inclusive culture through personal demonstration



## Zone B - Southern Region

# Regional Committee

### 01 Candidate

Noureen Al Amin, FCA



**Noureen Al Amin, FCA [R-6405]**

## 1. Brief Particulars of the Candidate

### Professional Qualifications

- Fellow Chartered Accountant (6405)
- Associate Public Finance Accountant (5010)

### Academic Qualifications

- M.Com
- M.A. Economics
- B.Com

## 2. Positions Attained in Organizations and Other Fields of Service

Name	Position
a. Noureen & Co. Chartered Accountants	CEO/Principal
b. Usmani & Co. Chartered Accountants	Partner
c. Ilyas Saeed & Co. Chartered Accountants	Director Audit & Assurance
d. World Bank Project (PIFRA)	Audit Supervisor
e. World Bank Project (BEP)	Financial Management Consultant
f. Tehreek	Manager Finance
g. Taraqee Foundation	General Manager Finance & Accounts

## 3. Key Achievements

- Conducted nationwide budget training and developed Toolkit on Government budgeting system.
- As a Visiting faculty at Pakistan Audit and Accounts Academy provided training to Government Officials on subjects like Financial Management, Internal Audit and Project Appraisals.
- Developed extensive internal controls for transparency of accounting systems.

## 4. Previous Service to Institute, or its Council, Regional Committee or any Other Committee(s)

- Serving as member of the Institute since 2011.

## 5. Ideas and Views of the Candidates about the Activities and Contributions of the Institute to the Profession of Chartered Accountants

- To promote presentation and involvement of Chartered Accountants in Government Financial Systems.
- Arrangement to start up RAET at ICAP's Regional office Quetta.
- Provide advocacy of the profession in the region and encourage women to participate.



## Zone A - Northern Region

# Council

### 14 Candidates

1. Agha Mujeeb Ahmed Khan, FCA
2. Fawad Ahmad, FCA
3. Iftikhar Taj, FCA
4. Jafar Husain, FCA
5. Mohammad Maqbool, FCA
6. Mohsin Nadeem, FCA
7. Muhammad Ali Latif, FCA
8. Muhammad Awais, FCA
9. Nasir Gulzar, FCA
10. Nazir Ahmad Chaudhri, FCA
11. Rana Muhammad Usman Khan, FCA
12. Rashid Ibrahim, FCA
13. Syed Athar Hussain Zaidi, FCA
14. Talat Javed, FCA





## Agha Mujeeb Ahmed Khan, FCA [R-3202]

M.A.(ECO), LLB Advocate, Former President Rawalpindi/Islamabad Tax Bar Association

### Professional Memberships and Certifications

- Fellow member The Institute of Chartered Accountants of Pakistan. FCA
- Member the Association of Certified Anti-Money Laundering Specialists (ACAMS), Miami, Florida USA.
- Licensed International Financial Analyst. USA.
- Fellow member The Institute of Public Finance Accountants of Pakistan.
- Life Member Rawalpindi District Bar Association.
- Life member Rawalpindi/Islamabad Tax Bar Association.

### Professional Experience

- Thirty one years' experience in the Profession of Chartered Accountancy and senior partner of Agha Mujeeb & Co., Chartered Accountants.
- Sound knowledge of socio-economic scenario of Pakistan.
- Articles Khalid Majid & Co. Chartered Accountants 1986-1990.

### Rawalpindi/Islamabad Tax Bar Association

- Elected Vice President session 1999-2000
- First Chartered Accountant in the history of Rawalpindi/Islamabad Tax Bar who elected as President of the Bar-session 2011-2013

### Federal Board of Revenue

- Visiting faculty member to the senior Gazette Officers at the Research and Training Center Federal Board of Revenue (F.B.R.), Islamabad.

### Service to the Institute (ICAP)

- Serving the CPD committees of ICAP since last six years.
- Member of ICAP SMP committee.
- ICAP exam Invigilation for the last 17 years.
- Guest speakers and master of ceremony in various seminars organized by ICAP.

### Philanthropic Services

- Director Progressive Friends Foundation an organization Non-profit Non-govt. registered U/S. 42 of The Companies Ordinance 1984.
- Member Lions Club Rawalpindi/ Islamabad.
- Organized free eye and Hepatitis B & C screening camps for poor, needy and deserving people of Pakistan.

### International Representations

- Represented ICAP at various International Conferences such as,-
  - SAFA Conference 2006 MUMBAI.
  - World congress of Accountants 2006 Istanbul, Turkey.
  - SAFA Conference 2008, JAIPUR India.
  - World business leaders' conference 2005 Thailand.
  - CFO conference Dubai 2016.

### Other Activities

- Public speaker at political forums.
- Member Toast master ICAP Islamabad.
- Play squash.

### Vision for the ICAP

- Developing a global mindset is essential if you want to progress in today's competitive business environment. Creating global recognition of the CA Pakistan brand and promoting commitment of our membership to the highest standards of professional and ethical practice.

### Mission and Statement

- To provide highest quality of service to our members towards ensuring the integrity and standing of the profession in the world while protecting the public interest, in discharging the role of institute as the governing authority of Audit and Accountants profession in Pakistan.

### Major Objectives

- To protect the interest of practicing as well as industry members in this competitive environment.
- Strive to protect the reputé of members and Institute on legal front (courts and competition commission etc) while using my legal knowledge and expertise.
- Industry to practice/ consultancy transition for members will be made more easy and smooth so that entrepreneurship culture is promoted for ICAP members.
- To develop ways in which members workplaces support diversity and inclusion of professionalism.
- To find out ways for welfare of members and to protect their interest.

### Planned Initiatives

- To establish a web portal where ICAP members and students can directly coordinate with executive management and council. A task force will be established in this regard for screening the issues and table at council meetings.
- Complementary services to members with existing fee structure will be encouraged e.g. free access to digital libraries, updated IASs, IFRS/ISAs, Laws etc. yearly planner/ diaries, some CPD events etc.
- Some important issues CA articles in industry, MOUs with universities and other institutes, overseas members active participation in ICAP affairs etc will be tabled and fine tuned with respect to paramount interests of members and accounting profession.
- A practical guide on professional CV writing, interview skills, potential employers' lists and contacts, detail of major recruitment agencies and head hunters etc will be prepared for the benefit of young CAs for better job placements local and abroad.

- To introduce short course certifications for members and students as a specialization field such as:- Anti-Money Laundering, Enterprise risk management, Corporate governance, International Taxation, Forensic accounting and fraud detection using IT, Forex and treasury management derivatives, Valuation and Arbitration, Trade laws & World trade organizations (ITL & WTO), International Investments, Actuarial valuations, banking and custom laws.
- Syllabus need to be updated keeping in mind global transformation taking place which should result a better product end of the day.

### Other Considerations

- Today's challenges and opportunities call for a new strategic direction for the Institute and for its members either in practice or industry or working abroad. Today's challenges are to reach a new level of quality, professionalism, market presence and growth.

- Now a days the greatest challenge faced by the Institute is to attract the talent in the global competitive environment when the other prestigious bodies of Accountants are focusing on enhancement of cross border memberships.
- We should make conscious efforts to build on the existing strengths to increase the influence of ICAP with Government, policy makers, Regulators and Industry stakeholders to enable it to bring more prestige and benefits for members.
- We should highly recognize the sincere efforts of all our honorable former council members that by their devotion, hard work and effective contribution towards the Institute's activities Institute has now become a leading Professional Accounting body among other global accounting bodies. We must not forget their valued contribution. Now we have a more challenging job head of us of not only maintaining these standards but to lift these to the highest level of all other International premier Institutes.



**Fawad Ahmad, FCA [R-3848]**

**CISA, Certified Information Systems Auditor,**  
ISACA - Information Systems Audit & Control Association,  
USA - Year: 2004

**National Security Workshop,**  
National Defence University, Islamabad - Year: 2014

**Graduation in Political Sciences,**  
University of the Punjab - Year: 1997

**Independent Financial Advisor**  
Since April 2014

**President, Middle East & South Asia,**  
BiFringence LLC (A technology company) Since April 2014

**Financial Advisor, Abu Dhabi Group**  
From Year: 2011 to 2014

**Executive Vice President**  
MCB Bank Limited  
From 2008 to 2011

**Senior Manager**  
A. F. Ferguson & Co.  
(A member firm of PricewaterhouseCoopers)  
From 2003 to 2008

**Partner**  
Synchronous Consulting, From 2002 to 2003

**Articles & Supervising Senior**  
A. F. Ferguson & Co.  
(A member firm of PricewaterhouseCoopers)  
From 1997 to 2002

Fawad Ahmad is a Senior Financial Advisor, advising large companies in their financial matters and investment decisions (including Mergers & Acquisition Transactions). He is also contributing at a strategic position of a US based technology company BiFringence LLC.

He has been working in leadership and senior management positions in A. F. Ferguson & Co. (a member firm of PricewaterhouseCoopers), MCB Bank Limited and Abu Dhabi Group. He has extensive experience of financial management, investment advisory, business advisory, operations, compliance & controls in challenging environments; and consulting roles in diverse business sectors. He has worked in technology, banking, power, telecom, real estate, healthcare, etc. His experience includes creating business plans and feasibility, business strategy development, financial evaluations, implementation of business plans and strategy. He has been engaged in various consulting roles with Government of the Punjab, Asian Development Bank and The World Bank.

As a student of political science, he has a good understanding of regional and international politics. He has a comprehensive understanding of China Pakistan Economic Corridor (CPEC), its geography and related challenges. He is also an advisor for Sichuan Chamber of International Commerce for investments and business development in Pakistan.

He is a team player and believes in developing teams to deliver under challenging environments. Throughout his career, he has worked with seasoned professionals from diverse backgrounds.

### Challenges for the Profession

- **Catch up with Technology Curve:** The steep curve of evolving technologies is the major challenge for almost every profession. Artificial intelligence and cognitive computing are

no more a sci-fi movie subject. IBM's Watson in collaboration with H&R Block will soon be doing taxes in US market. For now, big data analytics and Blockchain also appear to be ideas not relevant in our market. The application of such technologies in Accounting & Auditing profession are changing its paradigm at a very fast pace. We need to come out this fallacy, we have seen how Uber and Careem changed the local market dynamics in no time.

- **Business Environment:** Businesses are now global, technological, instantaneous, and increasingly virtual. The leadership they require from both internal and external advisors requires new insights, new skills, and extraordinary agility.
- **Borderless World:** As the world becomes borderless, the marketplace is demanding more complex, real-time advice and services, presenting unlimited opportunities for CAs to expand their skills, competencies, and services.
- **Pressure to transform Finance from Bookkeeper to Business Partner:** The CA's in business are being challenged to deliver value to the organization and help create a sustainable competitive advantage.
- **Employability of members:** 25,000+ students are pursuing CA in Pakistan. Unlike Pakistan, accountancy is not a profession on the priority list of students in developed markets that provides an opportunity to be availed in medium term. However, if the global employability of members isn't increased, this nursery may dry out very soon.

## Way Forward

- **Strategy:** A robust strategy needs to be developed for the institute with technology as a pivot to improve global employability of the members, enhance global recognition through modern and relevant skills. The strategy needs to encompass the global trends and emerging requirements of the global market. A special focus needs to be given to markets that are in the process of adopting IFRS and VAT regime.
- **Research & Development (R&D):** Develop a professional R&D Center at ICAP for on-going research work in critical areas, such as, impacts of technology, global business challenges, IFRS & Auditing Standards, regulatory & compliance developments, international finance, etc.
- **Capacity Building of Firms:** Enabling firms (especially, small and medium firms) to improve training of students. Initiatives may include access to audit software, ICAP sponsored training sessions for trainees, student conferences and seminars, publishing relevant real world case studies for students, etc.
- **Capacity Building of Members:** Enable members /trainees to access global market for audit engagements, accounting and process outsourcing. Initiatives may include, conducting workshops to enable firms/members, organizing roadshow in potential markets where members/firms can demonstrate their capacity, skills, competencies, and services.
- **Transparency & Merit:** Transparency and merit needs to prevail in all matters of the institute ranging from policy making, governance, education, examination to administration.



Iftikhar Taj, FCA [R-2236]

Dear Member

I am contesting election to Council to represent Northern Region Zone A and seek your nomination.

After completing my articles, I have been working in Industry in various roles. I started my articles after graduating in Mathematics and Statistics from the then F C College, Lahore and now a chartered university.

International Finance Corporation trained me on SME & Family Governance and Adult Training. I am also a Certified Director by Pakistan Institute of Corporate Governance.

I have been on Boards of Directors (BoDs) & actively involved in decision making in various industries, contributed towards transformation and restructuring of businesses for sustainable performance improvement.

Just to give you an idea about me, Currently, I am working as CFO of an FMCG in Lahore. My earlier positions in industry include:

- Governance Consultant at Knowledge Consulting
- Director Business Consulting at Netsol Technologies Ltd
- Director on Board of three listed companies of Nagina Group

- Executive Director Evernew Group
- Executive Director Himont Chemicals Ltd

Besides above, I am a Mentor, Golfer, Rotarian and a Toastmaster. I am first Chartered Accountant in Pakistan, who received highest education award of Distinguished Toastmaster from Toastmasters International, USA.

## Now Coming to ICAP, I Always Actively Engaged Myself in ICAP in Various Roles:

- Working on various committees for more than two decades
- Currently, working on Education and Training Committee, and Information Technology Committee
- Being active member of Organizing Committees, organized various conferences and Golf tournaments
- Created closed group on Facebook for fraternity "ICAP Members Lounge" where members are added after due verification and they network professionally with each other. I am sure many of you are already in the Lounge. No one outside this Lounge can see any post.
- Created Toastmasters Clubs in Karachi, Faisalabad, Multan and Islamabad for fraternity. The Toastmasters clubs provide learning

and practice opportunity of Public Speaking and Leadership skills at members' own pace.

- Moved resolutions in AGM of 2015 as under:
  - The draft proposed amendments in Chartered Accountants Ordinance 1961 be exposed to members through consultation sessions and get it approved from members
  - The Council should act as Board of Directors and not participate in the management of ICAP. The purpose of this resolution was to improve governance by segregating the role of Council and Management.
  - Council should get new practicing regime approved from the members of ICAP

### Now coming to my approach and Vision regarding ICAP:

- ICAP is a premier Institute in the country and must stay relevant and be ready to face future challenges;
- ICAP's role to be segregated as Regulator, Examination body and service provider to members;
- ICAP's capacity to perform in future to be enhanced substantially;
- Strategy and criteria to be devised to have fair representation in council of all regions
- Launch Program to professionally groom CAs for job market & practice;

- Overseas chapters to be constituted as regional committees and members to have representation in Council;
- Overseas chapters be funded like other regional committees;
- ICAP offices to be opened outside Pakistan to globalize CA Pakistan brand;
- Efforts to be made to enhance performance capacity of SMP and members, who are working in industry;
- Efforts to be made to eliminate firms' panel system;
- ICAP should design Top up courses to expand SMP revenue stream;
- Market "CA Pakistan" brand effectively in Pakistan and overseas;
- Every effort to be made to enhance employability of members and focus on employment opportunities for Members;
- Council members should not directly participate in management of ICAP, rather effectively provide guidance to run ICAP;
- Governance structure to be improved substantially;
- Research & Development should be taken as separate organ of ICAP so that it plays role at National Level;
- Lets jointly make an effort to take ICAP to next level.

I would be grateful of your vote and thank you in advance for considering my nomination.

My professional background: <https://www.linkedin.com/in/iftikhartaj/>



**Jafar Husain, FCA [R-1735]**

He, a fellow member of ICAP, a candidate for the upcoming Council elections, is the Central Principal of "The Professionals' Academy of Commerce (PAC)", a fellow RAET of ICAP established in 1987 by Mr. Ishfaq Ahmed (Late) FCA.

He graduated from Government College University (GCU) Lahore, as a first position holder in his academic session. His majors in graduation were Statistics & Economics.

After graduation he started his articles with "Zahid Amin Wiqar and Co. Chartered Accountants". He qualified as a Chartered Accountant in 1989. Thereafter he remained in public practice earlier as a Manager and later as a Partner in "Amin & Co." for 8 years. In 1997 he assumed the role of Principal in PAC.

He has over 28 years of experience in the education sector and during this time he has also been closely involved in various initiatives and developments undertaken by ICAP.

He has served on various committees of ICAP including:

- Education and Training Committee
- Accounting and Auditing Standards Committee
- CPD Committee (North)

Moreover, he has been part of the committees which were formed for organizing national and international conferences under the auspices of ICAP.

He has also served as a speaker at ICAP CPD sessions on the subjects of Financial Accounting and Auditing

He is a registered "Mentor" under the recently introduced "Mentorship Program", helping shape the professional and personal lives of young ICAP members.

He is a professional trainer. He has also conducted training of 1,200 FBR officers of grade 16 – 20 as a lead trainer.

He has attended various international conferences and has a strong interaction with his fraternity across the globe.

He has also authored study material for students of Chartered Accountancy on Financial Accounting, Auditing, Corporate Law and Taxation. His excellence as a teacher can be judged from the fact that many of his students have been awarded Gold Medals and Certificates of Merit in ICAP examinations.

He has been a speaker, moderator, judge and analyst in various programs at universities, newspapers and electronic media.

He is also an active member of various welfare organizations including LABARD and Doors of Awareness.

His spare time activities include reading and exercising.

He, along-with other Council Members would like to achieve the following at ICAP:



- Pursue to bring about a change in ICAP's culture by:
  - Strengthening and empowerment of the ICAP's secretariat;
  - Fostering a culture of research and development in the ICAP to have its recognition as a progressive and leading institute of the country;
  - To change policies which are impeding development of ICAP's members as professional speakers and writers.
- Playing an active advisory role to the government in formulation of micro and macro-economic policies
- Exploring ways to engage members working in industry and living overseas;
- Enhancing the brand image of ICAP; both locally and internationally. Making it a first choice profession for the bright and brilliant students.
- More reciprocal recognition arrangements with renowned international accountancy bodies.
- Seeking necessary improvements in the syllabi and examination system of ICAP to bring our education and examinations system closer to practical life.
- Shifting of some of the functions of ICAP from head office to regional offices across Pakistan / abroad
- Introduction of some specializations for the members



**Mohammad Maqbool FCA [R-1574]**

## Mission Statement

### Introduction & Services to Institute

I completed my post-graduate education from Hailey College of Commerce in 1980 and qualified as a Chartered Accountant with the Institute of Chartered Accountants in England and Wales (ICAEW) in 1985. I returned to Pakistan in 1986 and shortly after became a member of the Institute of Chartered Accountants of Pakistan (ICAP). My sole objective of returning to Pakistan was to strengthen the educational infrastructure of the accountancy profession within Pakistan. In 1986, I pioneered a private sector institution in Lahore to impart education to CA students. I authored various literatures for CA students including solutions to past papers of CA exams since 1986. These efforts provided return in the form of tremendous improvement of the CA educational infrastructure and increased the success rate of CA examination results in Pakistan.

Since 1986, I continued to practice as an accountant with an abundance of experience obtained through the role of a partner of a small sized firm, a medium sized firms and one of the largest firms in Pakistan (Sidat Hyder Qamar Maqbool & Co.), these positions allowed me to obtain a complete set of knowledge regarding issues faced by all types of accountancy firms to date. I am also a fellow member of the Chartered Professional Accountants of Ontario (CPA Ontario - Canada) since the year 2000. In November 2016, Chartered Institute of Public Finance Accountancy (CIPFA) UK co-opted me as a Council Member. Through affiliations and working knowledge with other international premier institutions, I possess the complete knowledge of how other large international chartered accountancy bodies are operating and serving their members' needs.

I, a Council Member of ICAP and in addition of being a Vice President for a year of the institute, served as chairman Education and Training Committee, Investigation Committee, Technical Advisory Committee, SMPs Committee, and Accounting Standards Committee. Furthermore, I served on various committees, Boards and Task Forces as a member; such as: Examination Committee, PS&TAC, Overseas Co-ordination Committee, CA

Ordinance Review Committee, Quality Assurance Board and Accounting Standard Board. I am also representing ICAP at various international standard setting forums.

### Vision Statement

Keeping in view the fact that I am a current Council Member I have decided to share with my professional colleagues my vision statement which I issued at the time of my election four years ago (brief text in inverted commas) for the two reasons: (1) to provide a form of accountability for my performance as a Council Member and (2) to provide an idea of what I will strive to accomplish (unfinished agenda) in the next four years, if re-elected as a council member of ICAP:

### Education Reforms

1. "I believe that ICAP's Education program needs a drastic overhaul to match and map with global professional accountancy education standards".

**Implementation and plan:** In current Council's tenure Education reforms were completed (I was chairing the Task Force) and all exams except Multiple Subject Assessment (MSA) under new education scheme were successfully held and keeping in view the fact that after qualification most of our members work in industry locally and globally a new MSA under the name of Strategic Business Management was introduced, Syllabus focused books for all levels have been arranged for students and system to liaison, monitor and grade the tuition providers was implemented. Now focus is required to successfully implement the MSA scheme in ensuing years and improve the CA educational infrastructure in the country.

2. "We need to make the ICAP qualification "A FIRST CHOICE" for our new generation and attract the very best students to ICAP, which currently we are losing to other accountancy bodies operating in Pakistan."

**Implementation and plan:** Alhamdulillah due to implementation of education reforms and its competitive policies ICAP has started attracting a record number of students and now my goal would be to help ICAP attract quality students to our fold.

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3. "Our assessment system also requires drastic improvements to kill the common myth that ICAP qualification is not achievable even by brilliant students and effecting the quantity and quality of our students' intake".

**Implementation and plan:** In the beginning of its tenure the current Council formed a Task Force (of which I was a member) to review the examination system and structure as a result certain measures have been initiated resulting in far more certainty and stability in our system up to CAF level examinations. The appointment of subject specialists in examination system is under way which is meant to improve the assessment system cross the board. This item will continue to be an active area of focus on the agenda of the next Council.

### Restructuring of ICAP

"The current structure of ICAP was framed in 1961 and is more than half a century old. It is not possible to deliver efficient and effective services to members as per today's standards with an ancient model and structure ..... I strongly believe that ICAP needs an effective restructuring as soon as possible. If I am elected, the ICAP's positive restructuring with the input of all stakeholders will be one of the top items on my agenda (FOR CHANGE)".

**Implementation and plan:** Immediately after taking office the current Council formed a CA Ordinance Review Committee (of which I was a member). This Committee redrafted a proposed amended Ordinance/Act in line with international norms for a wider and active consultation with members. After incorporation of members' comments the document is being submitted to the concerned ministries. In addition to an active follow up with Government to convert this draft in to legislation, the new Council would be required to redraft byelaws in line with the spirit of new law.

### Issues Faced by Members in Businesses, Practices and Residing Overseas

1. "I believe a largest proportion of ICAP membership comprised of members working in businesses and engaged in small and medium sized practices and therefore, without effectively serving their interests ICAP cannot justify its role as a unified professional accountancy body."

**Implementation and Plan:** Current Council worked on the demand of its industry members and helped rationalize the CFO qualification in CCG 2012 on 30 December, 2013 and today far more members from industry are working in ICAP committees including majority professional accountants in newly formed Audit Oversight Board and Accounting Standards Board. I acknowledge this is not enough and more initiatives to involve industry members in ICAP matters are required. During current council's tenure QCR Framework was rationalized and further in the current year workshops for SMP practices to highlight challenges and opportunities for SMPs were held in four cities. First time ICAP under current Council taken the public position (through newspapers) against the categorization of firms by regulators and

taken the open stance that ICAP believes in only one category which is ICAP's QCR rating. Again this is only a beginning and a lot more efforts are required to address this deep rooted issue. Further, ensuring a smooth and fair operation of new Audit Oversight Board will be a great challenge for the new Council. I am fully aware of these issues and take full ownership and am committed to work on them.

2. "Further today more than twenty percent (20%) of ICAP membership is residing abroad and ICAP services to those members is not in line with what is being offered by other global professional accountancy bodies such as ICAEW, AICPA, CICA etc. .... We need to increase their say and participation in Institute's administrative matters and enhance the recognition of their qualification internationally by arranging true, balanced and workable reciprocity with globally recognized professional accountancy qualifications".

**Implementation and plan:** Current Council secured mutual recognition from renowned chartered accountancy bodies including CIMA/CGMA, CIPFA, CPA Canada and very recently Pathway Route (full membership without exams) announced by ICAEW. Today a larger numbers of Overseas Chapters of ICAP are working more effectively for branding and bonding of ICAP qualification and members in their territories, including holding of two flagship CFO conferences in UAE. In view of current overseas membership of around 25%, under the draft amended CA Ordinance way is being made for the representation of Overseas and Female members on ICAP Council. My mission also includes to actively working for arranging degree coverage for our non-graduate members.

**Additional agenda 2017-2021:** Segregation of strategic and operational matters in Institute's governance, effectively and promptly addressing the students' and members' queries, instituting efficient disciplinary and accountability process, arranging e-audit software and other necessary capacity building tools for SMPs, providing level playing field to all ICAP members working in various disciplines and holding annual "meet the representatives sessions" in each region to seek regular feedback and suggestions from members.

No doubt there are many issues and areas which need to be addressed to make our institute a truly dynamic and progressive professional body, fit to meet the current and future professional challenges. I believe that in view of my international exposure and rich experience as ICAP Council member, if I am re-elected, I will be in a favorable position to help ICAP's next Council to achieve this objective in the shortest possible time. This is not simply an election slogan rather it is my commitment and is based upon a track record of performance as an active Council member.

In the end I request your vote and support in implementing this agenda for the betterment of our profession and membership.



**Mohsin Nadeem, FCA [R-2026]**

### Mission Statement

*Our members have created a strong legacy of excellence and exemplary work. I bring new ideas, experience and exposure attained by me over years. I want to serve ICAP with dedication, commitment, professionalism, sound governance and transparency for the benefit of its members, students and stakeholders, to the best of my abilities.*

### Personal Particulars

I was born in Sargodha in an Air Force family and achieved my basic education in PAF schools. In matriculation examination I was awarded the Quaid e Azam Scholarship as I was among the top ten students of Sargodha board in 1979. My parents being interested in medicine asked me to join the Quaid e Azam Medical College, Bahawalpur in 1982. Unhappy with the medical profession as I always wanted to become a CA, I convinced my parents and left the medical profession, did my B.A from Islamia University, Bahawalpur in first division in 1984 and joined the profession of Chartered Accountancy with Kamran Sarwar & Co.; completed my articles in 1989. After working with Pioneer Pakistan Seed Limited, an agro based multinational for three years, I founded my own Chartered Accounting firm Mohsin Nadeem & Co. This firm by the grace of Allah has evolved into a well respected SMP, currently I am Senior Partner at Rafaqat Mansha Mohsin Dossani Masoom & Co. I am married and blessed with four children. I enjoy swimming, reading and yoga.

### Positions Attained in Organizations and Other Professional Services

1. Senior Partner of "Rafaqat Mansha Mohsin Dossani Masoom and Co" having four offices and eight partners, as SMP firm.
2. President of Pakistan Tax Bar Association, an apex body of thirty two bars of Pakistan, representing around 9,000 tax practitioners of Pakistan. This office is for a term of two years, expiring September 2017.
3. Member of SMP Committee of the ICAP.
4. Member of "Tax Reforms Commission" formed by Ministry of Finance.
5. Member of "Tax simplification Committee" formed by FBR.
6. ACB member of CA Toastmasters Club since 2009 and served the club as Secretary for one year.
7. President of Lahore Tax Bar Association in 2008-2009, for one year. Lahore Tax Bar Association is comprised of above 3,000 members and is the largest tax bar of Asia.
8. Member of various Committees of ICAP during the past 25 years.
9. Faculty member of ICAP, when ICAP was conducting the student's training at ICAP (1993-1995).
10. Invigilated examinations at ICAP Lahore center.

### Key Achievements

1. 2<sup>nd</sup> Chartered Accountant to be elected as President of Pakistan Tax bar Association since its inception in 1980, 1<sup>st</sup> one was Mr. Younus Rizwani, FCA.
2. As President PTBA organized several mega events like seminars, workshops and summer camps of national and international significance. Represented tax fraternity at various high level Government meetings and standing committees of Senate and national assembly.
3. Key note speaker at various national and international conferences. Appeared in various TV talk shows on professional/tax issues.
4. Represented CA Toastmasters club in various interclub public speaking competitions. Always won awards for the club.
5. Being President of LTBA, played a pivotal role in "Movement for restoration of judiciary" in 2008-2009.

### Ideas and Views

1. The biggest challenge for ICAP is its communication with members, students and other stakeholders. ICAP can create a sense of satisfaction and ownership among its members by improving upon their communication with them. The main reason is delay or non-responsiveness to members in their queries and letters etc. In my opinion members come first in every respect, especially overseas members, who are upholding the flag of ICAP outside Pakistan.
2. Another challenge of ICAP is to create a level playing field for all members in practice, especially SMPs. SMPs have been suffering because of lack of business opportunities and trainee students. New entrants to practice find it extremely difficult to cope with the challenges and hurdles faced by them.
3. The CA Ordinance 1961 was promulgated to promote the profession of Auditing in Pakistan. In 2017 the results are that 89 percent of members are in jobs. We need to look into as to why the focus had a paradigm shift from Auditing practice to jobs/industry?
4. The Governance structure of ICAP needs to be revamped and be made effective and transparent. Number of Council members should be increased, the outcome of all the meetings be shared with members etc. The decision making should be separated from execution, by all means.
5. Concrete steps are required immediately to evolve strategies to enable a proactive role of all of ICAP members and stakeholders. More members should be inducted in Committees of ICAP to have a broader and more professional input. Stakeholders in and out of Pakistan should be more effectively communicated enabling a better perspective of ICAP. This will create more job opportunities for members. Conferences, seminars and workshops should be conducted in and out of Pakistan more frequently. Stalwarts of our profession and other professional bodies be brought together to have a better perspective of ICAP members.

6. For the members in industry Job Placement shall be made more effective and result oriented. A special fund be created for the industrial members who become jobless, under some thoughtful process. ICAP should initiate welfare projects for its members, like housing schemes in major cities, special deals for various personal needs like house loans, car loans, insurance and retirement plans, concessional internet and mobile packages etc. Family fun fares and family galas must be held at regular intervals in and out of Pakistan. In my opinion, before applying for Fellowship status of ICAP the members must have achieved the "Distinguished Toastmaster's" status of Toastmaster International club, for better public speaking and leadership skills.
  7. A dispute resolution committee be formed to resolve the disputes between members in practice and industry as well. The rights of industrial members should be watched and protected by such committee.
  8. Overseas chapters should be given financial and moral support to carry out the image building activities in their respective countries.
  9. Our nursery, the students of ICAP, be given importance. Education and training be imparted on modern techniques and trends, in order to keep them abreast of latest knowledge, IT techniques and soft skills. This will enable them to face the global challenges of the Profession. Industrial articles should be discouraged and students be trained in audit firms only. The number of libraries be increased in major cities to accommodate more and more students.
  10. There are many areas which need immediate attention and are matters of concern for members, students and stakeholders, but due to paucity of space I am restrained.
- With all this stated above I present myself before the members to represent you as Council member of ICAP.



**Muhammad Ali Latif FCA, [R-4128]**  
CIPFA, CISA

*After serving 8 years as "Member – Regional Committee", I have substantial gained working knowledge of ICAP and can now better contribute as a "Council Member" in the affairs of ICAP (natural progression). Being a young man of 37 years I am full of energies to serve our Institute. I have also now joined my father's CA firm alongwith another firm due to my aspirations to serve ICAP as it was getting quite difficult to remain actively involved in the affairs of the ICAP while you are under employment obligations. I shall strive towards improving communication gap between our Industry Members & ICAP.*

## Past Performance – Delivering on Last Election Agenda Items

*I am pleased to inform you that I was not only able to deliver on my agenda items of last elections but was also able to use my standing in the Regional Committee to voice concerns on matters affecting our Industry Members. I have taken various initiatives during my term as a Regional Committee Member which includes but are not limited to:*

- **Launching of E-Learning Portal (Videos of CPD Seminars) and Webinars - ([www.nrce-learning.com](http://www.nrce-learning.com))** – Videos of IAS/IFRS & ISAs are proposed to be developed & placed on portal to be used a resource library.
- **Signing of MoUs** with PC Hotel One & Liberty Books (Magazine subscription) for **giving Discount**
- **Arranging First-Ever Family Get-Together Events** at Lahore, Islamabad, Multan, Gujranwala etc.
- **Development of Training Manual for Enhancing Interview Skills for Newly Qualified Members.** A special program is also proposed to be developed for Newly Qualified Members to enhance their various skills.
- **Initiation of Discounted SAP/Oracle Courses & Chinese Language Course** for ICAP Members

- **Contested 1<sup>st</sup> Election with the objective to remove changes in Code of Corporate Governance** whereby our Industry & Overseas members had been "debarred" from becoming CFO of a listed company unless they have experience of at least 5 years of handling affairs of a listed company. **Objective Accomplished as Promised !**
- **Contested 2<sup>nd</sup> Election with the objective to stop ICAP from introducing changes in bye-laws whereby Industry members were stopped from directly going into practice/ setting up a firm, unless they again serve a professional firm for 2 years for knowledge updating** - I was able to raise awareness about the issue and with your support was able to defer the issue. **I intend to ensure its withdrawal as a Council Member!**
- **Contested 2<sup>nd</sup> Election to introduce the concept of Mentoring Program for Young CAs.** The proposed program entailed forming panel of our Senior Members to give access to expert advice on specific industry issues thereby ensuring provision of wealth of knowledge to our young members. **Industry Experts will also help our young members in supporting transition into a new role in another industry (from their last job)** by providing macro-level knowledge of that specific industry - **Delivered as Promised (Phase 1 Launched)!!**
- The concept of "Job Placement office" was achieved but it is not upto the expectations of our Industry Members. **I undertake to streamline it as per the expectations of our Industry Members & Newly Qualified Members by creating liaison with Overseas Chapters and seeking their support for job placements as well.**

*I have described below my Agenda/Views (as actionable items), which by grace of Almighty I wish to achieve:*



## Vision 2020 – ICAP beyond Borders

There is a **dire need to Re-Position ICAP to face global challenges**, as the competitive advantage will soon be under threat due to globalization. **We need to carry out a Benchmarking exercise of other Institutes so as to assess our position and strategize to shorten the gap.** We need to **open strategic international offices in UAE, KSA, Australia & Canada** to properly highlight our esteemed qualification as our members are facing serious issues i.e. tough competition, difficulty in pursuing higher qualification etc. ICAP has to further strengthen its standing at the international level by **signing mutually beneficial recognition agreements with accounting bodies** and also **holding seminars/workshop to educate overseas recruiter/employers about distinction of CA degree from other accounting degrees.** The matter of **acquiring owned premises in Faisalabad & Multan** also needs to be explored.

## Overseas Chapters – Support

We need to provide Overseas Chapters with **E-Learning platform for CPD Activities** (already developed as part of my last election agenda). Moreover **70% revenue from membership fees of overseas members of that specific country should be given to its Overseas Chapter** so that they can be self-sustaining and hold quality activities.

## Members Serving Government Owned Organization - Support

Some of our Members are serving various Government owned organizations and need support of ICAP. I myself have served such organizations and **due to unique risks & rewards associated with such employment a co-ordination committee needs to be formed** for supporting our fellow members working in such organizations.

## Role of ICAP - Research & Industry Facilitation

The concept of providing **support to persons interested in carrying out "Research in Accountancy"** needs to be introduced for developing accounting profession. Moreover **ICAP needs to establish a research cell to take lead in providing independent analysis and advice on the economy to the government** and also needs to co-ordinate closely with SBP, SECP and FBR. **Industry Members during their course of employment have encountered frivolous tax notices ultimately leading to bank attachments by tax authorities so ICAP also needs to play its active part in raising its Industry Members concerns to FBR.** I submit that a conscious effort is required to build on the existing strengths so as to increase the influence of ICAP with Government, Policy Makers, Regulators etc.

## Composition of Council – Balanced Representation & Diversity

As more than 75% of our Northern Members are Industry Members therefore the Composition of Council should be reviewed with **reserved seats allocated for Industry Members, Overseas Members, Women Members and Young Members** (can even be additional council seats).

## Governance Manual

A **Governance Manual** will developed for ICAP/Council Members so various issues i.e. Conflict of Interest, Integrity, Accountability towards members etc. can be discussed and elaborated upon with complete transparency.

## Industry Members – Concern & Active Participation by Email/SMS Polling

In view of the time constraints and their job commitments, I intend to initiate a process of increasing Active Participation of our Industry Members in ICAP Affairs. **This is planned through apprising our members regarding the latest issues and asking them to vote via Email/SMS Polling Services.** Necessary steps needs to be taken to ensure that the stakeholders must be consulted in advance and receive a full explanation of the policy/decision and understand its intent. **Any drastic change/key strategic decisions relating to the profession (i.e. having implications on a period exceeding tenure of the Council) should be shared and approved by the membership in the EOGM.**

## CPD Activities – Industry Specific Seminars (Benefit to Newly Qualified Members)

Apart from general accounting & auditing issues, **seminars should also be arranged on Specific Industries.** This will help members to gain knowledge from Industry specialists. **Industry specific trainings/certifications may also be initiated as it will help in the learning curve to discharge their professional responsibilities.** It also needs to be ensured that **regular CPD Activities are held in smaller cities i.e. Gujranwala, Rawalpindi & Multan etc.**

## Job Termination Insurance Scheme – Benefit to Industry Members

It has been noted that Industry Members are sometimes unfairly pressurized by their employers regarding job security i.e. especially whenever they take a stand on some professional or ethical issue. It is proposed that Industry Members will pay a premium every year and **in case the industry member leaves his job, he will be paid a minimum guaranteed amount for his household expenses for 3 months - ensuring him Peace of Mind!** Similarly some option of long-term benefit plan for members vis-à-vis Pension Fund also needs to be explored.

## SMP Practicing Members – Usage of SBP Panel & Facilitation to New Firms

Nearly in all Tenders/Public Advertisements across the broad usage of SBP Panel of Auditors as criteria is being used. **Concrete Steps need to be taken which should include raising the matter with Public Procurement Authorities alongwith filing complaints/taking legal steps against such tenders/advertisements.** Special emphasis needs to be placed on **SMP firms (especially new entrants) as they should be duly regarded and supported by creating an enabling environment for their development and growth.** **Any closure of SMP Firm should be reviewed by ICAP** so as identify and remove the impediments that lead to such closure.

## Formation of Chartered Accountants Housing Society & Adventure Club

I fully endorse the idea that **ICAP should consider facilitating its members in establishing Housing Society for its Members.** This may be in the form of a co-operative society or can be established with Government Support or it can be achieved by signing MoUs with some renowned developer and Islamic banks for lower financing arrangements. It is also proposed **an exclusive CA Adventure Club be formed - a platform for arranging recreational visits.**

I would like to inform the worthy members about myself & my professional career. I have the privilege of being a 2<sup>nd</sup> generation Chartered Accountant and am son of a well-known CA **Mr. M.T.K Rehmani (FCA)**.

### Professional & Academic Qualifications:

2015 Certified Public Finance Accountant  
2007 Certified Information Systems Auditor  
2003 Chartered Accountant (R-4128)  
1999 Intermediate in Commerce (4<sup>th</sup> Position)



**Muhammad Awais, FCA [R-2753]**

Partner, EY Ford Rhodes, Chartered Accountants

I joined the esteemed profession of chartered accountancy purely by choice. I have been a part of the privileged chartered accountant fraternity for over 19 years. Prior to becoming an Associate Member of ICAP in February 1998, I completed my articleship with Mr. Imran Afzal, FCA (Past President, ICAP). I was admitted as Fellow Member of the Institute in April 2008. I am also a law graduate from University of the Punjab.

I joined Ford, Rhodes, Robson, Morrow, Chartered Accountants as a Manager in February 1998 and became a Partner in July, 2006. My specific areas of expertise include national (direct and indirect) taxation, international taxation, corporate and people advisory services. I believe my area of expertise can bring about significant constructive and progressive changes to the Council to prepare the august Institute in becoming the global frontrunner of the international accountancy profession.

Being an active professional, I have always endeavored to give back to the Institute by serving the profession as well as the community at large in the following capacities:

### Services to ICAP

2013-17 Member, Taxation Committee  
2013-17 Member, Benevolent Fund Committee  
2012-13 Chairman, Northern Regional Committee, ICAP  
2009-13 Elected Member, Northern Regional Committee, ICAP  
2009-13 Qualified Member, CASA-N, ICAP  
2011-12 Chairman, CASA-N  
2005-06 Member, Technical Advisory Committee, ICAP  
2002-03 Member, Accounting & Auditing Standard Committee, ICAP  
1994-96 Secretary, CASA-N for Sessions

### Services to Others

2013-14 Chairman, Fiscal Laws Committee, Lahore High Court Bar Association  
2010-11 Member, Arbitration Committee, Lahore Stock Exchange  
2010-11 President, Lahore Tax Bar Association  
2009-10 Member, FBR Committee for Taxpayers Facilitation

### I have also carried out various projects with the World Bank and International Donor Agencies:

- Tax Administration Reforms Project (TARP) for Government of Republic of Tajikistan

### Industry Job Experience:

General Manager - PTCL  
Director Finance - Pakistan Mobile No. Portability Co  
SVP (Head MS & IS Audit) - The Bank of Punjab.  
Articles - Grant Thornton – Anjum Rahman.

I have served ICAP in the capacity of - *Chairman & Secretary - Northern Regional Committee; Chairman - CPD Committee (Lahore & Islamabad; Member- CPD Committee (Central) & Member-Accounting Standards Committee.*

- Legal and Policy Review of the Punjab Sales Tax on Services
- Comparative study of indirect taxation of various countries in Middle East and South Asia and presenting the report to their tax authorities / tax professionals
- Strengthening Municipal Corporations in the Punjab –Municipal Corporation of Kasur

Besides performing the above stated services, I have been speaking at numerous seminars, including Pre/Post Budget Seminars, hosted by ICAP, ICMAP, FBR, Tax Committee of Republic of Tajikistan, International Financial Corporation (World Bank), Lahore Chamber of Commerce and Industry, Pakistan Tax Bar Association, Lahore High Court Bar Association, various tax bars of Pakistan and several channels of the print and electronic media.

### Aspirations

I believe in acknowledging the contribution made by my seniors in establishing the highly regarded standards in the fields of education and practice of accountancy and the related spheres, which have made the chartered accountancy a highly cherished profession in the society at large. That is why I underline the need for consistency in the policies of the Institute but with a vision to progressively increase in stature, professional reputation and international appeal.

### Enhancing the Brand

I reckon it most important to build the brand of chartered accountancy on the strength of the most modern techniques of marketing and image building including the productive use of all types of media taking in electronic, print and social media. This can be achieved through strengthening the in-house marketing department as well as hiring the services of experts. Effective use of our qualified members as Brand Ambassadors can also be really helpful in enhancing the image of the Institute and professionals. Additionally, a richer and stronger image would also add to the quality of intake.

### ICAP - A Major Player in National Economic Policy

Given the credentials of ICAP, it seems vital for the Institute to lobby with the governments for enhancing and improving the level of active participation in economic policy making processes,

particularly, in the fields of corporate affairs, finance, business, trade, banking, taxation and other related matters, whether these relate to budgets or substantive and procedural laws. In this connection, proactive liaison with the governments including the regulatory bodies like SECP, SBP, FBR and provincial tax authorities would particularly be helpful. For this purpose, a strong research wing, combined with an effective marketing strategy and strong presentation and ownership by the Council, will demonstrate the Institute as a preferred think-tank for government and make us a natural choice for consultation in all future policy matters.

### Support for New Entrants and SMPs

I also understand that SMPs, including the new entrants, should be duly regarded and supported through creating an enabling environment for their development in the light of the growth momentum achieved by Pakistan's economy expected as a result of CPEC. On the other hand, for the individual members, there is a dire need for creation of a full-time Department focused solely on creation of opportunities through executive recruitment sessions with renowned national and foreign employers including public sector organizations. The department should also cater to the needs for professional grooming and employability-readiness for the national and international markets.

### Responsive, Competent and Efficient Management of the Institute

I am of the view that on one hand the management of the Institute should be more qualified and responsible so as to be able to perform to the level expected under the governance of the Council, while on the other a well deliberated and consistent policy is required to be prepared and focused in respect of CA education that should be kept abreast of the current requirements based on continuous research and development. Although quantity does have its own importance and the number of qualified CAs needs to be enhanced for having better international

recognition as well, yet any kind of exemptions should be given only after strict scrutiny.

### Enhanced Physical Presence

I vehemently support the idea of bringing about significant improvement in infrastructure and pertinent facilities at Lahore and Islamabad offices of ICAP. Further, ICAP should be focused on having a strong physical presence in order to provide networking opportunities to members and to attract students at all major cities of North Region.

### Leveraging Our International Network

ICAP has already opened overseas chapters in Dubai, London, Canada and Saudi Arabia. I feel that overseas chapters are required to be strengthened by establishing proper offices and deputing full time professional staff. Moreover, lobbying with the Middle East Governments can also be of immense benefit for the community, in addition to making the governmental authorities to acknowledge the role of ICAP members in the present day knowledge economy.

### Creating Accountants of the Future

I believe in maintaining and improving the image of the chartered accountants beyond the limited scope of ordinary accountants to the broader spheres of business leaders steering the world economy, as I do foresee my fellows leading businesses around the globe. This would entail CPE programs in collaboration with the top business schools of each region of Pakistan which would provide sector-specialization skills, information technology skills including artificial intelligence and robotics, besides economics and business analysis.

*To conclude, I would like to quote Lao Tzu (famous Chinese philosopher) "the journey of a thousand miles begins with one step" - Voting me on the Council is that one step in an exciting journey towards making this great Institute a globally recognized accountancy body.*



**Nasir Gulzar, FCA [R-1682]**

Nasir Gulzar is the senior Partner at Nasir Javaid Maqsood Imran, Chartered Accountants (NJMI) since 1995. Qualified in 1988, is the fellow Member of the Institute of Chartered Accountants of Pakistan since 1995.

He has adequate experience of direct and indirect tax planning of individual and corporate clients, feasibility studies and financial projections for industrial & other projects and Identification of optimal financial plan & financing mechanism for new & ongoing projects.

He has conducted various assignments for national and multinational clients including, accounting assignments, salary surveys, audits, system audit, mergers and amalgamation, listing of shares on Stock Exchanges, incorporation and compliance under corporate and related laws of Pakistan and specialized knowledge

in, Telecommunication and electricity sectors in Pakistan. He has adequate knowledge of regulations of Securities and Exchange Commission of Pakistan applicable to private, listed and unlisted companies.

### Past Experience

Before starting public practice, being Manager Finance (CFO) in a textile company listed on stock exchange), having 5 conventional and 1 open end unit, was responsible for Finance Department- dealing with banks in respect of L/Cs (local and international), financing arrangements for pledge of cotton, obtaining running finance, project finance, cotton procurement, import, export and local sale of yarn, mills coordination, corporate, taxation, etc., reporting to CEO directly, supervising a team of around 25-30 people.

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Hired by NAS Air (Riyadh, Saudi Arabia) as a consultant, for adherence to policies and procedures of Payroll and to identify weakness in their Revenues and Collection system and present solution to those problem.

Hired by Saudi Material Recycling Co (SAMARCO) Dammam KSA, for time and motion study to evaluate meaningful utilization of their human resource. Also hired by Chinon Camera, Hong Kong for detailed System review and internal Audit.

### Present Experience

- De-facto CFO of various small and medium size entities where accounts and finance departments are being supervised by our firm and preparation and analysis of monthly operational results and various management reports for the guidance of the clients.
- Audit & Corporate consultancy of listed and unlisted companies;
- Preparation and analysis of monthly operational results and management reports on behalf of the client;
- Advising clients on financial, Income tax, sales tax and corporate matters, etc.;
- Preparation of feasibility studies and financial projections, Identification of optimal financial plan & financing mechanism for new & ongoing projects;
- Coordination with foreign brokerage houses on behalf of clients for foreign equity placement of projects under implementation;
- Arrangement of underwriters & financing facilities for clients;
- Incorporation of Limited Companies, firms, handling of public issue of shares and their listing on Stock Exchanges;
- Handling of winding up of limited companies;
- Handling of mergers and amalgamations of Ltd. Companies;
- Tax planning and management & preparation & filing of tax returns of individual and corporate clients;
- Attending hearing and finalization of assessments, developing & implementing effective computerized financial accounting and management information system along with relevant controls and its supervision;

He is an independent director of National Transmission and Despatch Company Limited (NTDCL) and the chairman Audit committee, a part from member of other Board committees. NTDCL owns and operates the high voltage transmission system in Pakistan. The company employs a staff of over nine thousand that is engaged in managing the transmission network that extends into all the provinces of the country and the AJK.

### Positions Attained in Organizations and Other Fields of Service;

- 1980-85 Trained with A.F. Ferguson & co., chartered accountants, member firm of PWC.
- 1985-87 Audit manager with Majeed Faizi & Co., chartered accountants.
- 1987-91 Worked with public listed textiles spinning mills in the capacity of Manager Finance (CFO).
- 1991-95 Public Practicing under the name & style of "Nasir Gulzar & Co." chartered accountants.
- 1995-to date Founder and senior partner of "Nasir Javaid Maqsood Imran", Chartered Accountants.

Attended Directors training program conducted by ICAP in 2016. Attended various seminars & courses/workshops organized by A.F.Ferguson & Co., The Institute of Chartered Accountants of Pakistan, LUMS, Lahore Tax Bar and other bodies, etc.

### Key Achievements;

NJMI is committed

- To provide quality services to its clients;
- To equip itself with the technical know-how and expertise to support specialized needs of its clients;
- To create an environment to allow opportunities to its staff for professional growth; and
- To help, understand and guide its clients and develop mutual trust.

NJMI is a member firm of CPA Associates International, an association of independent CPAAI and Chartered Accountants Firms founded in 1957. NJMI is the leading national accounting and consulting firm having offices at Karachi, Lahore, and Islamabad. NJMI has 5 qualified and experienced Chartered Accountants and more than 70 staff members. NJMI can deliver creative and practical services to clients through highly trained, skilled and motivated professionals, continued investment in leading edge technology and implementing rigorous standards and procedures.

### Important features of the firm:

- Qualified and experienced professionals manage firm's responsibilities
- Effective client relationship is maintained by providing personalized services in accordance with clients' requirements
- The firm offers professional services in the field of audit, taxation, management consultancy and corporate affairs and other advisory and consultancy services

### Important Achievements of the Firm:

- The firm has obtained "Satisfactory" Quality Control Review rating from the Institute of Chartered Accountants of Pakistan.
- The firm is an accredited employer (Gold) for ACCA professionals.
- The firm is on the panel of Pakistan Stock Exchange Limited, to conduct systems audits of brokers.
- The Firm is placed on State Bank of Pakistan panel of Auditors.
- The firm is authorized Training Organization for students of Institute of Chartered Accountants of England & Wales.
- The Firm is Accredited by USAID for conducting the USAID project audit in Pakistan.

### Ideas and Views of the Candidates about the Activities and Contributions of the Institute to the Profession of Chartered Accountants

- Need to do, and be seen to do, the right things, in the right way and to the highest standard;
- Remove artificial barriers;
- Provide access to the profession to anyone with ability regardless of background;
- Embed ethics and professionalism into the syllabus to produce accountants who meet the current and future needs of employers, regulators and the public at large;
- Commitment to high global standards robustly and transparently enforced;
- Share knowledge and expertise with organisations around the world to develop the global accountancy profession;
- Provide Professional viewpoints to legislators and policy makers;
- Encourage businesses to grow in a controlled and socially responsible way;
- Promote ICAP's values – integrity, accountability, opportunity, diversity and innovation;
- Commitment to public value, across the spectrum.
- The accountancy profession should deliver high public value and ethical conduct and transparency which are the key to demonstrating public value.





**Nazir Ahmad Chaudhri, FCA [R-0982]**

*In the Name of Whom, Who needs no Introduction Who is Omnipotent, Omniscient and Omnipresent!!!*

### Brief Particulars of the Candidate

Mr. Nazir Ahmad Chaudhri, FCA is a fellow member of the Institute of Chartered Accountants of Pakistan. He has been in public practice since 1976 and has got over 40 years diverse post qualification experience.

### Positions Attained in Organisations and Other Fields of Service

He laid the foundation of Nazir Chaudhri & Co., Chartered Accountants and now is the Managing Partner of the same. He also joined Rao & Co., Chartered Accountants as a partner. He is the holder of life membership of Lahore Tax Bar Association and is also a permanent member of Lahore Gymkhana. Apart from his professional stature stretching out over an epoch of almost four decades, Mr. Nazir Ahmad Chaudhri has been taking keen interest in the welfare activities and is the founder trustee of Ghias Memorial Trust.

### Key Achievements

- Initiation of ICAP online job portal after continued efforts. A large number of membership including overseas members have benefited from the facility created.
- Made continued efforts through timely suggestions to the Institute to eliminate the shortage of trainee students for the small and medium practice firms.
- Instrumental role played in bringing amendment to the ICAP bye-laws to legalise the canvassing of candidates whereby previously it was prohibited for a candidate. This removed the legal and moral anomaly of violating the law knowingly.
- Played an instrumental role in negating a precondition of obtaining further practical experience with a firm of chartered accountants upon a qualified chartered accountant before obtaining the practicing license. Imposing further conditions upon members to get practicing license would discourage the members to join the audit practice which would harm the future growth of accountancy and auditing profession in Pakistan.
- After untiring efforts, the Council accepted the proposal to hold the application of ISQC 1 in abeyance till minimum benchmarks of various conditionalities are fixed. This is to introduce benchmarking for enhancing objectivity in exercising judgment while reviewing the requirements of ISQC 1. After fixing of all conditionalities, ISQC 1 has now been implemented.
- Made constant efforts for recognition by ICAP that all the Accounting Standards that are applicable on listed companies cannot be applied on unlisted entities. This matter has now been duly recognised by IFAC and accordingly IFRS for SMEs have been published. ICAP has also recognised this matter and published Revised Accounting and Financial Standard for Small-Sized Entities.

- Highlighted the necessity of Bank Branch Audit. The Council after deliberation appreciated the necessity of the concept and decided to refer the matter to the Financial Sector Committee for laying down further course of action to achieve the objectives.
- Initiated the move in the Council about the need of providing Audit Software to the members in practice to be launched in due course.
- Contributed in promulgation and subsequent revision/update of Audit Practice Manual.
- Facilitated in dispute resolution between the partners of the firm.
- Played a pivotal role as VP (North) in successful bidding of a plot of land of 10 kanals and 19 Marlas in Gulberg- III, Lahore for ICAP Building for facilitation of all activities at one place.

### Previous Service to the Institute

- Vice President (North) for the terms 2016-2017 and 2011-2012
- Elected Council Member for the terms 2013-2017 and 2009-2013
- Chairman Examination Committee for the term 2016-2017
- Member and Secretary Regional Committee – Central Region
- Founder Chairman Employment Committee
- Chairman Investigation, SMP and Central Building Committees
- Member SAFA Small and Medium Practices Committee
- Member Education & Training, Accounting and Auditing Standards, Executive, Human Resource, ICAP Benevolent Fund Management, Central Building, Audit, Investigation, Employment and SMP Committees.
- Member Task Force on Training Regulations & Guidelines and Task Force to identify the issues and problems faced by SMPs and to suggest measures and steps to address such issues.

### Ideas and Views about the Activities and Contributions of the Institute to the Profession of Chartered Accountants

I am pleased to seize this opportunity for directly sharing my views and ideas with a mission of doing my part to enhance the esteem of the Institute and my colleagues:

- My continued mission is to achieve the goal of creating an in-built belief through practical demonstration that the Institute is not merely a Body Corporate comprising of its members but each and everyone of its elected representative for any position is in practice the embodiment of the true purpose of creation of the Institute.
- I had always not only been raising voices but had practically been doing everything possible on my part to secure a dignified state of circumstances for every member vis-à-vis the Institute to conceive and develop mechanism which will transform the Institute itself as a monument of respectability and envy for any other establishment of the kind.
- The obvious benefits of Bank Branch Audit will bring two-fold

fruits. Firstly, the demand for professionals will become greater in number and thus the profession will grow. Secondly, Non-performing Loans/Assets (NPLs) can be reduced to a greater extent by the audit environment. To illustrate the point we can take the example of India where the audit of bank branches is compulsory by the chartered accountants. During the financial year 2016, average ratio of NPLs was 7.6% in India whereas during the same period, average ratio of NPLs in Pakistan was 11.1% (Rs. 634.5 billion). If in Pakistan too, said ratio was maintained at 7.6% level (which quantifies to Rs. 434.43 billion), Pakistani banks would have had earned more profits by around Rs. 200 billion. Bank Branch Audit is obviously one of the factors which can play an important role in reducing NPLs and thus strengthening the economy of Pakistan. I also suggest preparation of Audit Manual for Bank Branch audits.

- There is a dire need to increase the awareness and demand of our members especially in the public/government sector where at present our representation is at minimal. For that matter the Institute must coordinate with the government officials and persuade them to bring the government accounts under accrual and double entry system to achieve meaningful reporting system. This in turn will create more openings for our professionals at local, provincial and federal government levels including in Auditor General Office.
- Presently, requirements of IASs/IFRSs issued by IASB are applicable to all the listed companies whereas separate set of IFRS for SMEs issued by IFAC are applicable to Medium-Sized

Companies (MSCs) and Revised Accounting and Financial Reporting Standard for Small-Sized Entities (SSEs) issued by ICAP are applicable to SSCs in Pakistan. However, it is pertinent to note that the definition of MSCs and SSCs vary from country to country. A previous study shows that if we apply the turnover basis of UK then out of 711 Pakistani listed companies, 471 would fall under the category of SSCs, 159 under MSCs and only 81 under LSCs. Therefore, I emphasise the need to further classify listed companies into Large Sized listed companies, Medium Sized listed companies and Small Sized listed companies for the purpose of application of IASs/IFRSs on the basis of turnover, number of employees, number of locations in Pakistan and abroad, and number of stock exchanges within and outside Pakistan on which their shares are quoted.

- To facilitate the process of formation of a housing society for the members, which would help ease the financial burden and hassle of getting a house.
- Providing due gratitude to young and women members for comprehensive professional growth.
- Introduction of new facilities and improvement of existing ones for ease of members intending to start their own practice.

Due to the paucity of space, I am constrained to part with my sincere message to my colleagues that the above ideas are not a sheer creation of exclusive fertility of my mind but the outcome of circumstances encountered during my professional career and particularly due to interaction and sharing of ideas with my fellow members.



**Rana Muhammad Usman Khan, FCA [R-2225]**

Partner, Deloitte Yousuf Adil, Chartered Accountants (Lahore)

### Profile in Brief

I became a member of The Institute of Chartered Accountants of Pakistan (ICAP) in 1994, and my post-qualification professional career spans over twenty three years both in industry and profession. I have rich professional exposure, with a diversified portfolio of organizations/entities, both multinational and local in public and private sectors. I also have the distinction of serving on various committees of ICAP including NRC.

I am a prolific public speaker and have presented papers

and delivered lectures on varied professional topics such as IFRS, auditing/ISAs, Corporate Governance, Taxation, etc. at international/national conferences, seminars and workshops arranged by different forums such as ICAP, ICMAP and IIA. I have been part of ICAP Directors' Training Program since its inception. I have also served on organizing committees of ICAP, SAFA, IIA for various national/international conferences and have been involved in teaching of professional subjects such as auditing, accounting, corporate governance, taxation and risk management at professional levels.

### Employment Record

June 01, 2012 to date	Director/Executive Director/Partner	Deloitte Yousuf Adil (M. Yousuf Adil Saleem & Co.), Chartered Accountants
November 2010 to May 2012	Executive Vice President – Accounts Services	Pakistan Telecommunication Company Limited (PTCL)
July 2000 to October 2010	Senior Manager	A F Ferguson & Co., Chartered Accountants
September 1994 to June 2000	Manager /Principal	Coopers & Lybrand, Chartered Accountants
February 1994 to August 1994	Company Secretary and Manager Finance and Administration	Union Leasing Limited

May 1992 to January 1994	Consultant then Manager	Hameed Majeed Associates (Private) Limited, Management Consultants
May 1988 to April 1992	Articleship training	EY Ford Rhodes (Ford Rhodes Robson Morrow)

## Key Achievements

Although, by the Grace of Almighty Allah (SWT), my life is full of achievements both on personal and professional fronts, however, becoming member of ICAP and my humble services to ICAP and accountancy profession in various capacities, in my view, are my key achievements, continuity of which in any form or capacity (ICAP Council or otherwise) is and would continue to be indeed a matter of pride for me.

## Services to ICAP

- Commenced my services to profession with Chartered Accountants Students Association – North (CASA-N) as student member in 1990 where later I also served as qualified member and Chairman.
- Served on Northern Regional Committee of ICAP as member for 12 years from 1997 to 2009 (for three consecutive terms), during which also worked as Secretary (one term) and Chairman (three terms).
- Served as member CPD Committee, Lahore/Islamabad and Central for many years.
- Serving as member on Technical Advisory Committee of ICAP for last many years.
- Served as member on Financial Sector Committee for one term.
- Have been part of various Organizing Committees for number of national and international (SAFA) conferences.

## Other Professional Activities/Services

- Served as President of Institute of Internal Auditors, Lahore Chapter and Institute of Internal Auditors of Pakistan as member BOG.
- Have been teaching Auditing, Assurance, Risk Management and Corporate Governance to professional level students of accountancy.
- Presented technical papers, made presentations on various seminars, national and international conferences organized by various professional bodies such as SAFA, ICAP, IIA and ICAI.

## Ideas and Views

- I have deep insights on the working of the Institute, being involved in different capacities, and fully appreciate and admire the great work done by the Institute, its leadership and members, as a whole, over the period to bring the Institute where it is today.
- However, as I see, the Institute, its Leadership and members are now exposed to serious new challenges going forward due to the following:
  - significant changes to our work environment (principally due to rapid regulatory changes and continuous technological evolution) are continuously changing user expectations of our services, both in the profession and industry;

- entrance of new competitors in the profession such as ACCA and ICAEW, along with growth of the existing competitors, such as MBAs and ICMAP, are posing new threats particularly to new members and to the members in industry;
- disruptive innovations and enabling technologies with new opportunities for our members, particularly SMPs like offshore accounting and audit outsourcing, shared services, cost effective ERP deployments, etc.
- changes in the composition of stakeholders (profession/public practice, industry, education, etc.);
- significant changes in regulatory environment such as the introduction of Oversight Board, etc.

Therefore, the profession/membership both in public practice and industry are surely exposed to new evolving challenges.

- I consider this a high time to take stock of our capacities/capabilities, to revisit/reassess our vision/strategy, to review our study/training contents and realign various wings/pillars of the Institute such as its Leadership (Council and Regional Committees), Executive Function and Membership spread (Regional/Geographical).
- I also see serious challenges to the Institute going forward from the competitors as mentioned above which necessitates more focused and robust approach to strengthen our relationship with external stakeholders such as regulators in specific and other government functions in general, international/regional professional bodies (SAFA and IFAC) to ensure truly reciprocal/respectful arrangements/benefits keeping the distinction of CA Pakistan brand.
- The solution lies only in an **objective, competent, visionary, mature, professional, honest and upright leadership (Council)** which should maintain a **cohesive working relationship** among themselves and be able **to work/deliver together as one** for the **collective betterment** of the profession **equally for all the stakeholders/genders**.
- I am also a strong believer of strengthening the Executive of the Institute (bringing in the right people to work purely on merit considerations) and delegation as much as possible from the Council to Executive/Regional Committees. This will certainly give Leadership (Council) more space to focus on strategy and policy challenges and will enable the Executive to bring in excellence in service to membership such as maintaining CA brand, helping (new) members getting appropriate jobs, etc.
- Now, the time has come for the leadership to come forward and lead the profession from front, be transparent in its proceedings/dealings, take along all the stakeholders and take the Institute/profession further.
- I am offering myself with absolute commitment to serve on the Council of the Institute with these attributes to the best of my abilities and believe to take the Institute further **“being one and putting the ICAP/Institute First”**.



**Rashid Ibrahim, FCA [R-1504]**

Rashid Ibrahim is serving as tax partner in A.F. Ferguson & Co. since July 1, 2000. He was founding partner of Coopers & Lybrand and Jawaid, Qadeer, Rashid & Co. Also served as a partner of Khalid Majid & Co and Manager Finance & Accounts, Pakistan Tourism Development Corporation.

He has extensive experience of serving multinational and national organization particularly in the field of direct and indirect national and international taxation for Oil & Gas, Telecommunication and Electric Power Generation in Pakistan.

He has vast experience in organizing national and international seminar, conferences and meetings. He has been presenter at various seminars organized by ICAP, ICMAP, OECD, CAPA, SAFA etc. Remained visiting faculty at ICAP, ICMAP and various Universities. He is sitting council member of ICAP and remained vice president for the term 2013-14. Served as Chairman of Investigation Committee, CPD Committee, Education and Training Committee and Taxation Committee and member of various other committees of ICAP. He is serving ICAP over last three decades in various capacities.

He has also served as Chairman and member ADRC of FBR, Senior Vice President of Rawalpindi Islamabad Tax Bar Association, member World Bank for doing business in Pakistan, President Rotary Club of Pakistan, District Treasurer Rotary District 3272. He is also Founding Trustees of Bright Star Mobile Library, Managing Trustee of Air Trust, Director of SPARC, a society for the protection of the rights of children, Member Finance and Planning Committee of Comsats University etc.

He was an active participant of many initiatives of ICAP during the current term of Council which commenced in September 2013 and will last till September 2017.

Council during the term achieved some significant mile stones including moving proposal for amendments in CA Ordinance; implementation of new education scheme; launching of Industrial training regulations; Reforms in training regulations; Edhi CA Talent Hunt program; introduction of Soft skills courses; introduction of Professional Accounting Affiliates Certification; Examination reforms including suggested solutions, appointment of subject specialists, study packs, CBEs, e-marking, etc; Number of offices around the country enhanced from six to twelve, new offices in Mirpur, Quetta, Hyderabad, Sukkur, Gujranwala and Abbottabad; Reforms in investigation processes; Substantial reduction in pendency of investigation cases; Appointment of E.D (North), E.D Education and Training, Director IT, Deputy Director training and various other senior positions; Code of conduct and Conflict of interest policy for council and committees; establishing National Accounting Standards Board; establishment of CA

Women Committee and Members Affairs Committee; Launching National Finance Olympiad; CFO conferences in Dubai; Two PFM conferences; MRA through an MOU with CIPFA; new MOU with Canadian Institute; launch of Coffee table book, two editions printed; Audit Oversight Board; Significant participation in drafting of Companies Act, 2017; Dissemination of Council decision after each meeting; launch of CA Pakistan logo; Membership of CA worldwide; Reforms in Quality Assurance program; Reforms in elections; Establishment of City Library in Lahore; Renovations in Karachi and Lahore ICAP buildings; New office in Faisalabad; establishment of new overseas chapters and made them more effective; and many other initiatives.

These are achievement of each and every member of the Council. The entire Council worked as an effective team. The efforts made by the Council were for various segments of the profession.

However a number of challenges are still ahead of us, strong directorate needs to be in place, significant steps were taken during the current tenure but lot is desired including making ICAP as an employer of choice. A balanced and effective strategy is required to be developed to address the challenges posed by international players already penetrated or trying to penetrate in our jurisdiction. Efforts are required to convert our already visible international and national recognition into more effective recognition, which can assist members serving outside Pakistan. National outreach program require improvement to enable all deserving students to be rewarded with this amazing profession. Governance system requires improvement to serve our important stakeholders members, students, colleges providing education to our students and their faculty members and the firms providing professional service. Transparency is to be established in all dealings of the institute including proceedings of the council. Enhance business opportunities and financial rewards for professional firms, particularly small and medium practices. Enhance reliability of deliverables by professional firms by all stakeholders. Enhance understanding of the importance and capability of the members of the Institute as compared to the members of other Institutes and professionals in government and semi government sectors.

This is a great institute served by many stalwarts of the profession in the council and regional committee, which is an honor for them and this Institute. Everyone who is participating in these elections needs to be respected, which indicate their love and affection for the Institute and the profession.

My only request to the members is to choose council members, who will lead the Institute for next four years, purely on merit.





**Syed Athar Hussain Zaidi, FCA [R-1882]**

- **CFO, National Endowment Scholarship for Talent/Faculty Member Public Sector University**
- **Public speaker, a financial journalist**
- **Approved Consultant – The World Bank Panel, (UPI 227080)**

### Qualifications/Certifications & Professional Affiliations – Present/Past

- Fellow Member of the Institute of Chartered Accountants
- Approved Fellow of the Institute of Public Accountants, Australia and Chartered Institute of Public Finance and Accountancy (CIPFA) UK
- Passed Central Superior Services Exam (CSP) (14th Common Batch) conducted by the Federal Public Services Commission of Pakistan (FPSC) in the year 1986
- Certification achieved as Certified Fraud Examiner (CFE) of The Association of Certified Fraud Examiners, USA in 2008
- Passed Corporate Secretary examinations of the Institute of Corporate Secretaries of Pakistan and admitted to its senior grade of membership i.e. Fellow (FCIS) in 1986
- Fellow/Life Member of the Institute of Public Finance Accountants, Pakistan
- Life Member Pakistan Statistical Society
- Member Association of Govt. Accountants USA; and Affiliate of the Institute of Certified Public Accountants in Ireland
- Commerce Graduate (First Class, Stood First in the University)
- Second degree in laws and legislations (L.L.B)

### Work Experience and Achievements

Multi-lingual distinguished professional from humble background with strong skills-set in finance, law accountancy and audit; over forty years of progressively responsible diversified/rich work experience with government authority, public and private sector entities (OGDC etc.), multi-nationals (OXY, Shell etc.), leading Professional Services Firms (PWC/EY Pakistan-Iran), The World Bank and institutions engaged in imparting education, training, staff and talent development both in Pakistan and abroad.

Worked on ICAP Committees, Technical Advisory Committee, Publications Committee, International Affairs Committee, CPD Committee and also on the editorial board of the official journal of the Institute of Chartered Accountants of Pakistan. Wrote comments on IFAC exposure drafts, authored articles and monographs (for ICAP and IBP official Journal), research papers and concept paper for Islamic Monetary Fund.

Taught Management, Finance, Accounting and law courses in universities, professional institutes, UN Staff and also internationally. Founded Pakistan Professional Forum in Iran and served as its Founding Secretary General/Chairman Executive Committee. Also served on the board of national institutions. Member Rotract Club, Tharparkar District

### Vision/Mission for the ICAP

- To work in the larger interest of the ICAP in particular and the accountancy profession in general. Promoting commitment to the highest standards of professionalism and placing ethics at the top.
- Developing a global mindset, Creating Global Recognition of the ICAP by joining Global Accounting Alliance of six leading bodies

of Chartered Accountants ICAEW UK, CPA USA, CA Canada, CPA Japan, CA Hong Kong and CA South African Institutes.

- To provide highest quality of support to our members towards improved service delivery and developing linkages and partnership, promoting multi disciplinary professional practice with dominance of ICAP membership at every stage.
- Optimizing ICAP roles public sector jobs, board audit committees of public sector companies, quota fixation in Civil Services Group such as finance tax, custom accounts and audit, for young ICAP members like induction of young army officers in Police, Foreign Service and District Management Group of civil service.
- Uniting all groups of ICAP membership in one platform to protect the interest of practicing (Big-4, SMPs) as well as industry members in this competitive environment for a win- win situation.
- Appointment of ICAP members in Commercial Courts and in International Secretariats.
- Strive to protect the reputé of members and the ICAP on all legal and other front (courts and competition commission etc) while using my legal knowledge and expertise.
- Smooth transition of ICAP specialized and diversified rich experience industry members to practice and consultancy to promote entrepreneurship culture in the country.
- To find out ways and means for welfare of members and to protect their interest at all levels. Free legal support to members in difficulties and waiver in fee for unemployed members.
- To establish a web portal table at council meetings.
- Services to members with existing fee structure will be encouraged e.g. free access to digital libraries, updated IASs, IFRSs, IPSASs, ISAs, Laws etc. yearly planner/ diaries for CPD events, seminars, webinars etc.
- Giving a fresh look to the issue CA articles in industry for a win win situation for all members in industry and practice, reviewing the MOUs with universities and professional bodies of reputé on the principles of reciprocity.
- Encouraging overseas members for their active participation in ICAP affairs including election to the council and to reserve a separate seat for Islamabad.
- Achieving cent percent employment for ICAP members and finalist by providing guidance on professional CV writing, interview skills, potential employers' lists and contacts, detail of major recruitment agencies and head hunters for job placements in local and international market.

### Hobbies

Coaching, mentoring and career counseling, lecturing/delivering courses. Internet surfing, browsing into book shops and playing table tennis.

### Personal Details

**Civil Status:** Married, three children eldest one is a young M.Sc. (UK) ACMA, (England), CPA (Australia), Diploma in Islamic Finance from UK – She is the first ever youngest Pakistani in the history of Iran/Pakistan honored with CIMA UK International Award for extra-ordinary struggle made in Iran – a country where it is an offence to deliver lectures in English language unless there is a simultaneous interpretation in Persian (Farsi) Language.

**Place and Date of Birth:** July 15, 1958 (Domicile District Tharparkar)



**Talat Javed, FCA [R-1861]**

### Brief Particulars of the Candidate

Mr. Talat Javed FCA, 62 is candidate for Council of ICAP in Elections being held on July 29, 2017. He qualified as a Chartered Accountant in May 1990 and was admitted as Associate of the Institute on 20th August 1990. He was awarded certificate to practice as a Chartered Accountant on November 07, 1990 and he still continues to engage in public practice. He was admitted as Fellow Member of ICAP on 20th October 1995.

Talat, before qualifying as a Chartered Accountant was employed at Matrix Engineers a construction company, New-age Cables Limited and State Life Insurance Corporation of Pakistan for brief periods. He finally switched over to Edible Oil Industry to work as CFO/ Company Secretary of Sh. Fazal Rehman & Sons Limited, a listed company, one of the best units of Ghee Corporation of Pakistan located at Multan.

After passing Final Examination of ICAP, he opted to engage in public practice as a sole proprietor in the name and style Talat Javed & Co at Multan in 1990. He joined Anjum, Asim, Shahid & Co – Grant Thornton International- GTI as Partner in 1995 and was located at Islamabad office.

Talat was approached by M. Yousuf Adil Saleem & Co, a newly emerged Firm (Subsequently Deloitte Member Firm) in 1997 to join them as Partner In-charge of Multan Office. He was later re-located as In-charge of Lahore office where he continued to remain Partner of Firm, presently known as “ Deloitte Yousuf Adil”. He remained Partner of this Firm for about 20 years before seeking voluntary retirement on December 31, 2016.

Talat is presently Managing Partner of ShineWing Hameed Chaudhri & Co Chartered Accountants, Multan Office.

### Positions Attained and Key Achievements in Professional Field

Talat Javed, FCA has attained following Positions during his professional career.

- Head of Internal Audit department State Life Insurance Corporation Multan Zone.
- CFO/ Company Secretary, Sh.Fazal Rehman & Sons Limited Multan, Listed Company, one of the best (KSE Top-25) units of Ghee Corporation of Pakistan.
- Partner, Anjum Asim Shahid & Co- GTI, Islamabad.
- Partner In-charge, M.Yousuf Adil Saleem & Co a Deloitte Member Firm, Multan.
- Partner In-charge of “ Deloitte Yousuf Adil”, Lahore.
- Managing Partner of ShineWing Hameed Chaudhri & Co Multan.
- Leader of Ethics & Compliance, Deloitte Pakistan.
- Certified Director, Training conducted by ICAP.
- Performed as Chairman and Member of ADRC in earlier mechanism.
- Notified on the new Panel of ADRC by FBR SRO 209(1) 2017.

- Life member of Lahore Tax Bar Association and Member of MTBA.
- General Secretary of Multan Tax Bar Association.(2001)
- President of Multan Tax Bar Association ( 2002)
- Member Education & Seminar Committee MTBA 2012.
- Member Advisory Board Fatmid Foundation, Multan.
- Executive Committee Member, SOS Children's Village Multan.
- Member Taxation Committee, Multan Chamber of Commerce & Industry.
- Member District Finance Committee (2016-17), Rotary District 3272.

### Social, Literary and Sports Activities

- Rotarian and Past President, Rotary Club of Multan Mid Town.
- Past Assistant and Deputy Governor of District 3272, Pakistan.
- Author of 5 Books in Urdu, ( Two fiction books, two poetry books and one Biographic prose)
- Contribute columns on special occasion in Urdu News Paper and Member of, Multan Tea House.
- Moderated 18 live Interviews of notables on PTV.
- Golfer, member of Multan Golf Club and Royal Palm Golf & Country Club.

### Services to the Institute – ICAP

- Performed services as Center Supervisor & Examination Supervisor during 1990-95 in Multan.
- Extended assistance / efforts for opening of ICAP office at Multan.
- Remained member/ Chairman of CPD Committee Multan for almost a decade in past.
- Member of CPD Committee Multan-2017.
- Member Taxation Committee 2014-15.
- Member Northern Regional Committee – NRC for 2005-9.

### Views about the Activities and Contributions of the ICAP to the Profession

ICAP is doing its best for improving the quality of education, enhancing the facilities for students, building image of profession, extending continued education to the members and updating their knowledge through seminars, workshops and webinars.

There is need to bring the image and services of ICAP to limelight. A number of professional bodies in the country are constantly building image of their respective institutions, consequently to manage better employment opportunities for their members. ICAP once had exclusive position in the country which is being impaired by constant efforts of other stakeholder to get space in the market. There is need for ICAP to launch image building campaign in a big way to take lead, ahead of other professional bodies.

ICAP needs to take measures to address the grievances of SMPs and also to encourage young chartered accountants to join practices. Young chartered accountants need constant

counselling for their career growth. Mentor/ mentee program is a positive step to cater their needs but requires awareness of members.

Every member of ICAP has equal right of representation in Council and Regional Committees. Presently being elected in Council and NRC for the members of small cities/ remote areas/ overseas is not an easy task. There is need to re- consider as to how fair representation of all members of ICAP can be ensured in Council and Regional Committees. As compared to South, Northern Region members are spread in several cities like, Lahore, Islamabad, Rawalpindi, Faisalabad, Multan, Gujranwala and Sialkot.

At Regional level of North a mechanism for fair representation of members can be made practicable, at least for cities where ICAP has set offices. This would be a great contribution of ICAP to its members.

Before each election of Council and Regional Committees, ICAP may determine number of seats afresh, on the basis of strength of members in each electoral territory including overseas, for fair representation.

Role of Regional Committees also needs to be expanded to seek their support for various activities of ICAP under direct supervision of Council.



## Zone B - Northern Region

# Council

### 02 Candidates

1. Muhammad Ahmad Shahid, FCA
2. Saifullah, FCA





**Muhammad Ahmad Shahid, FCA [R-1943]**  
FPFA, FAIA

### Brief Particulars

My name is Muhammad Ahmad Shahid. I am resident of Peshawar, Khyber Pakhtunkhwa. I am contesting election for the Council from Zone "B". I am 58 years of age, enjoying good health and physique and would like to serve the profession by contributing best possible professional efforts aiming at achieving overall mission and vision of the Institute.

### Position Attained

I am honoured to be the practising member of the Institute since 1991 and it is now over 26 years of serving the profession in allied positions. Prior to the commencement of practice, however I had served a large sized public sector corporation in the capacity as Joint Director (F&A) for over seven years where I truly gained valuable experience of financial management of small to medium sized industries located throughout the province.

Currently, I am the Managing Partner of IECnet S.K.S.S.S., Chartered Accountants, a nationwide firm of accountants operating in Karachi, Lahore and Peshawar. The aforementioned firm is enjoying foreign affiliation from IECnet and placement in category "B" of panel of audit firms approved by State Bank of Pakistan. I am also working as Partner-in-charge of Shahid Ahmad & Co. Chartered Accountants, Peshawar.

During practice as above, I have had numerous opportunities of working in challenging environment and attaining dissimilar positions, like as follows:

- Consulting role for restructuring of businesses including turnkey operations;
- Assisting investigative agencies like National Accountability Bureau (NAB) and Federal Investigation Agency (FIA) in relation to specific investigative tasks involving money trail worth millions of rupees;
- Assisting courts in the capacity as "Amicus Curae" up until final decisions;
- Playing role as member of various committees including Public Private Partnership forums of provincial government, standing committees of Sarhad Chamber of Commerce & Industry, Tax Reforms Committee of FPCC&I, alternate dispute resolution committees formed by Federal Board of Revenue and as member on BODs of certain public sector entities.
- Served provincial government as technical member for revival of sick industrial units of the province; and
- Role of Liquidator in the process of winding up of companies through courts.

### Key Achievements

My ambitions included to do something concrete for new entrants in the profession. As a matter of record, I have been able to establish ICAP House in Peshawar during my session as Chairman, Northern Regional Committee.

I am honoured to have trained large number of trainee students since 1991, most of them successfully completed their training and/or passed various examinations of ICAP including CA Final examinations. I believe this achievement alone makes me courageous to accommodate as many new entrants in the profession as possible.

### Previous Service to the Institute (ICAP)

I am honoured to have served ICAP in the following positions:

- As an elected member of NRC – northern regional committee for two consecutive terms including served as Honorary Secretary and as the Chairman during those terms;
- As Centre Supervisor of ICAP examinations for more than a decade;
- As member and Chairman, CPD Committee for years long time;
- As member of Benevolent Fund Committee since long time;

### ICAP's Role in Accounting Profession – Views Regarding

Much can be said in relation to the contribution of the Institute (ICAP) in the accounting profession. Undoubtedly, ICAP is rightly recognized as the premier regulatory body of the accounting profession in Pakistan and this being the case, places ICAP's council with tremendous pressure to maintain and achieve high standards of excellence through imparting quality education, extending best possible regulations and providing monitoring role for the uplift of economy, businesses & trade in the country. ICAP's role towards FBR requires to be revisited for ensuring structural reforms to broaden tax-base and simplify system of determining tax obligations while maintaining self-assessment and the spirits of truthfulness amongst organized and documented sectors. ICAP had established marketing department somewhere in July, 2012 which was the wonderful step it could take to achieve certain imperatives for the promotional cause. The mandate of marketing department together with marketing strategies needs to be evaluated afresh and widened. Consequently, there is a need to review policy for new entrants by targeting universities and educational institutions and at the same time, ICAP can better regulate the profession by keeping complete liaison with its members which at present suffers from almost no control over the members' activities. ICAP can create viable strategic plans revolving around strengthening and developing skill-sets of its members enabling them to respond effectively to business dynamics etc.



**Saifullah, FCA [R-4009]**

### Personal Profile

It is a matter of immense pride and honour for me to be a member of the Institute of Chartered Accountants of Pakistan. As an Audit & Assurance Partner, I am associated with Rafaqat Babar & Co; Chartered Accountants for the last 14 years. I undertook the requisite professional training with the said firm and was entrusted with partnership in January 2004.

My strength rests on diversification in assurance engagements, cost and internal auditing; due diligence studies, financial planning and restructuring, capacity assessment and capacity building including design and development of policies and procedures for a diverse clientele base.

### Services to the Institute

I have been actively involved in the activities of the Institute and served the Institute in following capacities:

- Member of Northern Regional Committee (NRC) since 2009 and re-elected for the second term of four years (2013-17).
- Honorary Secretary of NRC during 2011-12 and 2012-13.
- Chairman NRC for the year 2014-15.

After spending almost eight years; as a member of NRC, it may reasonably be claimed that collectively the NRC has functioned as the most robust and vibrant arm of ICAP. We have succeeded in bringing the same to limelight and to a stage where members very keenly participate in its Continuing Professional Development (CPD) programs and social events. Annual Family Get-together, Gold medal and Certificate Distribution Ceremony, Chartered Accountants Student Association (CASA) Conference, and Cricket Tournaments are some of the notable events of NRC.

I am pleased to state that during my term as Chairman, for the first time in ICAP's history, NRC started E-Learning (live interactive webinars) in January 2015; which has now become a preferred medium for CPD programs. This was an objective well achieved as the overseas members, or members who are at their remote work locations, and those who do not find sufficient time to physically attend the required CPD sessions; can now carry on their required learning in diverse field of interests.

The NRC of today can take legitimate pride in claiming that it has substantially enhanced the quality of CPD programs, organized regular social events for members and students, improved library facilities and has revived CASA.

### Ideas/Views about the Activities and Contributions of the Institute to the Profession

Alhamdulillah, members of our Institute have proven their mettle locally and globally through their performance – which is in fact a direct credit to our Institute and its training organizations. We are indebted to this Institute whose qualification is being recognized with respect locally and abroad. By setting highest standards

of quality for the professionals, ICAP has played a vital role in international acceptance of CA Pakistan. However, in this ever evolving world, there is always room for improvement. There are few suggestions which can further evolve the role of ICAP and its members:

- To bring in functional reforms in the administrative process of the Institute and to make it more vibrant organization. We need to make clear segregation between decision making process and administrative process. Council should be vested with the strategic decision making while administrative and implementation process be trickled down to more proactive administration.
- Make ICAP's qualification a first-choice for students. To attract the best talent into the profession, ICAP's education scheme which is equipped with latest study packs and learning material, be marketed in a manner that the students' fears about difficulty in passing ICAP's exams be eliminated;
- Education for all. Enhancement of efforts as well as the financial contribution towards the success of national outreach programme in less privileged areas of the country to attract best students in the profession
- Steps must be taken for reciprocal recognition of Certificate in Accounting and Finance (CAF) by the specified degree awarding institutes;
- Allocation of more resources to the regional committees and to equip them with state of the art IT and communication infrastructure so as to provide relevant and quality CPD to the members;
- ICAP's relationship with regulators, federal and provincial legislators require significant strengthening to enhance ICAP's role in the economic policy making and for creating employment opportunities for the profession in the public sector; where our members can significantly contribute in enhancing reporting, governance and controls environment;
- SMP, including the new entrants, should be duly regarded and supported through creating an enabling environment for their development and growth;
- Involvement and proactive role with the overseas chapters for not only looking after the well-being of CAs working abroad but also to explore more avenues of employment for our members in the respective countries. Providing necessary funding to the overseas chapters for arrangement of professional development and social programs for their members. We need to increase their say and participation in the Institute's strategic matters.

I assure you to continue with my endeavours with the blessings of Allah Almighty to effectively represent the worthy members of our fraternity at ICAP's Council for the collective betterment and advancement of our profession.

The future of our profession is very bright and collectively, we will take it to new heights of excellence; **Insha'Allah !**



## Zone A - Northern Region

# Regional Committee

### 13 Candidates

1. Ali Saif Cheema, FCA
2. Asad Feroze, FCA
3. Farooq Hameed, FCA
4. Hasnain Adam Ali, FCA
5. Jehan Zeb Amin, FCA
6. Kamil Fatah, ACA
7. Khawar Mustafa, FCA
8. Muhammad Ali Rafique, FCA
9. Muhammad Imran, ACA
10. Nouman Razaq Khan, FCA
11. Rafqat Hussain, FCA
12. Shaukat Hussain, ACA
13. Zeeshan Aslam, FCA



**Ali Saif Cheema, FCA [R-4881]**

I have been working as a Partner in Muhammad Ali Hussain & Co, Chartered Accountants since 2009. Before that, I have also worked in industry for four years starting from the year 2005 till year 2009.

Experiencing a transition from Industry to practice really gave me an insight into the requisites and issues of these areas of the profession.

**IN THE NAME OF ALLAH, THE MOST BENEFICENT, THE MOST MERCIFUL**

Institute of Chartered Accountants of Pakistan has always been known as one of the prestigious institutions of Pakistan and this is all because of vision, commitment and hard work of our seniors. Now it is our duty, not only to maintain the standards as established by our seniors but to raise it to the next level of quality, respect and pride.

I feel pleasure to share my thoughts with respectable members of our Institute of Chartered Accountants of Pakistan on certain matters which I consider important and significant in current scenario.

I feel proud of being a Chartered Accountant and wish, to always feel the same. I know it requires continuous efforts; I prioritize following three areas which need our attention;

1. Making Practice as a viable business proposition for new entrants and other small and medium practices.
2. Member's Skill Development
3. Maintaining Quality Controls

**1. Making Practice as a Viable Business Proposition for New Entrants and Other Small and Medium Practices**

I consider it to be the rusty area of our profession. As per member's directory, total number of practicing members in our profession is 794. Which means only 1 out of 9 members opt for practice. A negative growth in this area would be detrimental to our profession as a whole, as too much induction of members in industry will disturb the demand and supply equation. I have said earlier that having an experience of moving from Industry to practice gave me an insight into the requisites and issues of this area of the profession. I see following issues that need be addressed.

- a. Starting right from our core area of practice as an Auditing Firm, i.e. Assurance Services, It is a big challenge for a new entrant or even other SMPs to make reasonable profits out of it. There is surely no equation of reward with responsibility. I believe this mismatch of reward and responsibility should have been reduced to maximum possible level.
- b. In an environment of distrust, where tax payer is not willing

to disclose the true numbers even to Government Authorities, expectations from a self appointed auditor are not based on rational grounds. I believe expectation from auditor should have been rationalized on the basis of ground realities.

- c. New entrants and SMPs find it quite difficult to have share in different Federal and Provincial Government Assignments, undue terms as included in RFPs make it impracticable for them even to apply for that assignments. I believe, a more fair distribution of resources will lead to generation of resources for the profession as whole.
- d. Members are also reluctant to start their own practice, as one has to bear fixed cost for certain period of time. I believe, there should have been an arrangement that our members can get loan facilities to finance that fixed cost during the said period.

It's always good to be self employed. Our education and training is being designed in such a way that is more of a consultant than of an employee doing a specific job. I believe, creating activity in this area of profession will lead to an activity in whole profession, as shift of our members from Industry to Profession will also result into creating opportunities in industry as well. Further strengthening of SMPs would help them to add value to profession, which would create opportunities for all stakeholders.

**2. Member's Skill Development**

Currently, Institute has a CPD program, which is being used for skill development of our members. Our current North Region Committee did very well regarding this program.

I feel, this effort should be continued and more budgets should be allocated to this specific area including skill development of instructors and committee members to bring them in line with international standards of skill development.

**3. Maintaining Quality Controls**

Integrity is our pride; we have to focus more on quality control in order to maintain the status of high professional quality. This should be fairly applicable to all Members. Authority comes with responsibility; however responsibility should have been rationalized on the basis of ground realities.

I believe, we need to address the issues rather than concerns. Collective wisdom is the key to resolve the issues. We should encourage the thought process at all levels. I end up my discussion with the quote of 'Albert Einstein'

***"The intuitive mind is a sacred gift and the rational mind is a faithful servant. We have created a society that honors the servant and has forgotten the gift"***





**Asad Feroze, FCA [R-4882]**

### Professional and Academic Profile

He is a fellow member of ICAP, ACCA, PIPFA and Institute of Taxation Management. He is partner at Junaib Shoaib Asad Chartered Accountants; an independent member Morison KSi (2007 to date). He is an IFC approved trainer on Corporate Governance. He has also served as a short term consultant to The World Bank. He is a SECP Certified Director. He is a professional trainer and moderator of discussions at various forums. He has also been presenter at International Conferences. His key interest is to promote startups. He has over 15 years of experience of wide range of clients in various sectors. He has got articleship training from A. F. Ferguson & Co Chartered Accountants. He has done Graduation in law and Graduation in Economics & Statistics. He is a gold medalist and silver medalist in his educational Career. He is former member of Executive Committee of Lahore Tax Bar Association and a Life Member. He is also a permanent member of Lahore Gymkhana Club and executive member Imtiaz Plaza Welfare Society. He is interested in playing golf, cricket, tennis and chess.

### Achievements

- Initiated Electronic CPD and Live Webinars for ICAP members. All webinars involved presenters from foreign universities or institutes
- Conceived and implemented NRC E-learning portal for attaining E-CPD by members at their convenience and flexibility of timings without hassle of travelling
- Involvement of Foreign Speakers/ Trainers for first time in events in North. Mr. Mike Turner (an ICAEW trainer) conducted two days refresher course on IFRS in 2015. It was video casted live at all ICAP stations in North. Mr. Turner later also conducted one day workshop at Lahore and Islamabad on "Financial instruments".
- More than 105 hours of physical CPD were made available as CPD Chairman Lahore. Topics included improvement of soft skills of members: Workshop on Advanced Excel, Workshop on Power Point, Workshop on Taxation, "Creativity", "Enhancing Communication Skills", "How to sell and market your expertise", "Seminar on Time Management", etc. Non-routine topics such as "Work Life Balance" and "Career Stagnation" were led by renowned personalities Mr. Maqsood (Max) Babri and Mr. Hammad Siddique respectively. These activities were aimed for industry based members and young members. Involvement of members at Multan, Faisalabad and Peshawar stations was ensured through video conferencing.
- Organized first ICAP Student Conference of North involving students from Peshawar, Multan, Rawalpindi, Islamabad, Faisalabad, Gujranwala and Lahore.
- Organized successfully ICAP Gold Medal and Certificate Distribution Ceremonies
- Recommended E-Library model.
- Instrumental in updation and addition of books in all libraries.

He played an important role in adding good quality books in new libraries at Gujranwala and Mirpur.

- Actively involved in management of ICAP SAFA Conference 2016 as a management committee member.
- Involved as a management committee member in holding ICAP Golf Tournament 2016
- Entered into an MOU with Zeitgeist an established men's and women's clothing brand for ICAP members.
- Conceptualized and held first ever members cricket tournament at Lahore and then at Multan.
- Held Family get together at all major stations of North for the first time including Peshawar, Gujranwala, Faisalabad, Islamabad and Lahore.
- Various out of box themes were introduced in CPD including "Workshop on financial modeling", "Changes in Audit Report", "Transforming your ability to benefit from globalization", "Enterprise valuation for mergers and acquisitions", "How to deal with emotional intelligence", IFRS 16 Leases", "Overcoming our biases against effective team work" etc.
- Given recommendations to Council on matters of interests to members including QCR framework and Practice training regulations.

### Past Service to the Institute

- NRC member (2013-17), Chairman NRC (2015-16), Secretary NRC (2014-15)
- Member Auditing Standards Committee ICAP (2008-09 to date) and involved in various sub committees
- Member Technical Advisory Committee ICAP (2014-15)
- Member Publishing Committee ICAP (2007-08 to 2014-15)
- Chairman CPD Committee Lahore (2014-15)

### Planned CPD Focus

Keeping in view the requirements of members, apart from emphasis on learning sessions on IFRS, Companies Act and taxation, following avenues of CPD may be useful:

### CPEC and Opportunities for Professionals

Understanding the economic impacts of CPEC. How to deal with foreign investors and manage interest of local partners? Do's and don'ts of CPEC. Opportunities of CPEC for CA's both in practice and industry. Role of ICAP in relation to CPEC.

### Technology and Its Impacts on Profession;

Artificial Intelligence and Big Data Analytics awareness campaign for members. Forensic Audit concept and its importance for members. Impact of technology on Audit profession. An activity focussed on Information Systems Audit. How ERP, BI and Planning tools help the professionals in industry and practice.

### Sectoral Based CPD Program

A sequence of CPDs with a specific focus on Sector based issues

and topics. Members can opt for a particular program instead of choosing from several generic CPD events.

### Strategic Leadership Program

Examples of such programs which can be conducted include "Strategy Development and Execution", "Managing Start ups", "Harness Growth" etc.

### Personal Effectiveness and Skill Enhancement

Examples of such sessions include, "Negotiation and Persuasion Skills", "Behavioural Economics", "Industrial Readiness", "How to excel in an interview"

## Other Planned Initiatives

### Strengthen Interaction with Members in the Industry and Better Employment Options

An annual conference of Industry members to address their issues. It will make regional committee more effective to support members in the industry. Closely liaise with large employers of the region and make arrangements for better employability of the members. To invite HR heads to meet with Chartered Accountants at such conferences and improve job opportunities for members.

### Strengthen Interaction with Firms

An annual conference of the firms in the region will be arranged to address their professional and business interests. A report will be compiled based on the discussions and deliberations made in the annual Conference of Firms and share with Council for

consideration/implementation.

### Liaison with International Universities and Local Universities

MOU's can be entered into with international accredited universities e.g. Harvard, Stanford, London School of Economics etc. so that members could be offered diplomas and courses at a reasonable discount. This will improve their profiles and count in CPD learning.

### Members Networking Program

For networking, annual activities like Annual Dinner, Family Get together, 'Mushairas' etc. will be arranged with entertainment options.

### Vision

To cater to CPD needs of all members especially Industry based members. Helping Council in any matters referred to the Committee. Strengthening E-CPD avenues by introducing diverse range of topics at NRC E-learning portal and also arranging a virtual conference for members. Offering webinars already developed by international universities/ institutions. Introducing E-Library facility for members. A regional committee member should perform all its functions as a volunteer to institute and to aid in his growth and prosperity. Lastly, ethical values should not be compromised at any cost, may it be members or their representatives as it could tarnish image of our institute. Now more than ever, there is a dire need that members should work together to strengthen ICAP and support its endeavours.



**Farooq Hameed, FCA [R-3503]**

I am a fellow member of the Institute of Chartered Accountants of Pakistan, currently working with EY Ford Rhodes as Partner – Assurance. I have had an opportunity to work both in industry and practice.

My association with the institute dates back to 1993 when I appeared in Pre-entry Proficiency Test (PPT) on my 20th birthday for admission in Basic Accountancy course. In 1995 I joined EY Ford Rhodes as Intern and got registered with ICAP in early 1996 as article student. After completion of articles I continued working with the firm. Towards the end of 2003 I joined an Investment Bank as Company Secretary and was soon made Chief Financial Officer. In 2007 after working in Industry for 4 years I rejoined EY Ford Rhodes as Senior Manager and was admitted as Partner in 2011.

The respect that I enjoy today emanates from the high quality professional and academic education, rigorous and comprehensive professional training mandated by ICAP and mentorship of learned senior Chartered Accountants, whose hard work and dedication is the basis of where the Institute and I stand today. I

believe I have a responsibility to give back to the Institute and that is my inspiration for contesting for Northern Regional Committee.

### Ideas and Views

#### Building Rapport and Trust with Members

I believe NRC has very important and critical role as it acts as a link between the Council and Members. Whilst the NRC has been conducting various events for members, there appears to be a room for improvement vis-à-vis interactive and insightful engagements with members with a view to find out THEIR views and concerns instead of the traditional – 'one way traffic' approach. Truthful, honest and open dialogue with members always results in sharing of mutually beneficial ideas that ultimately results in the growth of the profession.

In particular, I believe in building rapport by having a genuine discussion on future of the profession – impact of technology, need for enhanced analytical skills, staying relevant in a world of constant disruption and digital transformation. The above would open up a vital connection with the institute, drive the

membership body together in harnessing our true potential making us a globally renowned professional body.

Further, an important task I would prefer to take is to provide the Council with a 'Quarterly Feedback Report' highlighting the areas of focus for the Council based on feedback from northern region members. This grass root level feedback would provide the Council with an essential starting point for its deliberations and ensure connect with the members.

### Next Generation CPE

While there has been visible improvement in CPE activities in the recent past, for which credit is due to the current NRC, the momentum needs to be maintained as well as taken a notch further by including concepts such as:

**Learning needs assessment** – A census of members of northern region to identify learning gaps and priorities.

**Collaborative learning** – Business games in a team working environment.

**Scalable and flexible** – Sector-specific, milestone-based learning with real life business problems.

**Assessment based CPE** – Using technology to monitor progress of learning and auto score features.

**Simulated experiential learning** – Based on financial simulations allowing participants to view the results of their actions and decisions e.g. stock market investment simulator, working capital management simulator, etc.

### Employability

One of the most critical duty of NRC is to maintain an Employment Register for securing suitable employment for

its members. For this purpose, I intend to use technology-based platform as a link between prospective employers and potential employees with a secure 'member-only' access including a Credentials Database, Discussion Forum, 'Refer-a C.A.' functionality, articles and thought leadership from senior Chartered Accountants fraternity and guidance for new and young members.

In addition, guidance shall be made available in relation to professional grooming, outlook, attire, business acumen with links to guidance from globally renowned business leaders.

### Helping Council in Strengthening the CA Brand

Market repositioning of C.A Pakistan brand is pivotal to stay relevant in ever changing multi-faceted business environment. I consider that there is a particular need in changing the perception about C.A from being accountants to business leaders and change enablers.

For this purpose, in light of guidance and with support of the Council, I intend to arrange jointly-branded events with various business associations, chambers of commerce and tax bars on topics of mutual interest including tax laws, impact of technology on businesses and financial reporting in particular, corporate governance and areas of interest in public-private partnerships creating synergies that could result in a positive image for the Chartered Accountants fraternity.

To conclude, I firmly believe that the value of success is multiplied and perceived positively when the whole team puts in the effort and supports each other in order to achieve a certain cause. It is only with the support of members that I believe I can achieve the high targets as set above and for this reason I ask you to vote me to the Northern Regional Committee.



**Hasnain Adam Ali, FCA [R-5628]**

As an accomplished professional, ambitious leader and intellectual mentor, Hasnain Adam Ali has served for more than 20 years in all segments of chartered accountancy; industry, legal and profession. With his profound leadership experience and natural political acumen, he has pledged to bring a new balanced approach to governance with a simple mission to take prestige of our profession to new heights.

### Credentials

- Fellow member of Institute of Chartered Accountants of Pakistan (ICAP)
- Associate member of Institute of Financial Accountants (UK)
- Certified Financial Consultant from Institute of Financial Consultants (Canada)
- Member Association of Certified Fraud Examiner (USA)
- Associate member of Pakistan Institute of Public Finance & Accountants (PIPFA)

### Experience

- Proprietor "Hasnain Ali & Co." –
  - Expertise in taxation, consultancy and assurance services.
  - International affiliate of Enterprise Worldwide, a global association of auditors.
  - Training Organization (TO) status with ICAP.
- Ex-Director Audit & Assurance – Sheikh & Chaudhri – Chartered Accountants
- Industry experience in manufacturing and service enterprises including Packages Limited & TRG- The Resource Group
- Finance lead in international development agencies including USAID.
- More than 6 years of experience with PriceWaterhouseCoopers (PwC).

### Accolades

- Speaker & presenter at various local and international forums including:

- Rainmaker Summit, USA on "Tax jurisprudence in emerging economies".
- INTAX FORUM on "corporate & tax jurisdiction".
- An active member in development and uplift of profession and governance.
- Arranged free and accessible career counseling seminars and mentorship programs for underprivileged community kids

### Mission

- **Effective job placement programs** especially for newly qualified chartered accountants through concerted efforts on close liaising with marketing department of ICAP and human resource agencies.
- **Convenient, accessible and relevant CPD programs** including
  - Enriched industry focused training activities and material.
  - A web portal for NRC members for more E learning opportunities and sharing of business resources.
- **Enhanced focus on networking** and voluntary meetup groups with a purpose to define and influence profession's direction as

well as cater to individual & communal needs for growth and development. These will includes arranging:

- SMP breakfasts/lunches to provide all-inclusive platform to help mitigate challenges faced by SMP.
- Eid Milan parties for members to provide them with chance for networking and family socializing.
- **Transparent, engaging and empowering governance system** for ICAP subcommittees:
- **Creation of a unique online platform** Member Idea Forum where democratized selection of valuable initiatives from members will be discussed on how to grow and strengthen the accounting profession.
- **Augmented reward and recognition programs** with a focus on participation by key leaders of industry & trade in award / gold medal distribution ceremonies. This will help create a bridge between industry and profession, create brand awareness and pave way for prospective future employment of young graduates.



**JehanZeb Amin, FCA, [R-3437]**  
CIA, MBA, B.Com

JehanZeb Amin is a seasoned professional with an illustrious academic record backed by strong work ethic. The same is complimented with a **proven track record of leadership and governance. The same is further augmented by service to the Institute, its members and students;** all with the intent to repay to the institute and mentors in profession who helped him in professional pathway. In addition, JehanZeb Amin has been actively associated in various causes of philanthropic matters with an objective to contribute his humble share to the society.

JehanZeb Amin **has been associated with the profession for nearly twenty two years now** and has worked at progressively increasing levels of responsibility in professional practice and has been rendering services in nature of auditing, accounting, taxation and other related services to public and private sector organizations. In order to emphasize on the combination of responsiveness, responsibility and need for excellence has also been handling responsibilities of practice risk management, human resource management, performance coaching and development, talent selection etc. The accomplishments on educational hemisphere are enunciated below:

### Professional & Academic Qualifications

- Fellow Member of the Institute of Chartered Accountants of Pakistan (FCA)
- Certified Internal Auditor, the Institute of Internal Auditors America (CIA)
- Master of Business Administration (core competency - Finance)
- Baccalaureate of Business Administration
- Baccalaureate of Commerce

### Other Professional Association

- Fellow Member Pakistan Institute of Public Finance Accountants (FPA)
- Rawalpindi / Islamabad Tax Bar Association

At present, the professional career of JehanZeb Amin spans over two decades. **For the past 21 years have been associated with A.F.Ferguson & Co – Chartered Accountants (a member firm of the PWC network) and is serving as Partner.**

### A brief synopsis of services to the profession, Institute and professional fraternity reads as follows:

For the past several years, **(encompassing a continuous time frame of beyond past decade)** have served intermittently at following committees of the institute namely:

- ICAP Public sector committee
- ICAP Publications Committee
- ICAP CPD Committee
- ICAP/FBR joint committee

In addition, for past several years, JehanZeb Amin has been serving at the local CPD Committee for Rawalpindi/ Islamabad and **presently is serving as:**

- Chairman CPD Committee Rawalpindi/Islamabad (2016-2017); and
- **President CA Toastmasters Club Islamabad (2016-2017)**

### In addition, the services to profession, fraternity and institute include:

- For several years served at RAETs / colleges as visiting faculty for accounting, auditing disciplines of final and intermediate level courses;



- Participated as a panelist/ speaker in various TV talk shows pertaining to profession (brain drain from Pakistan) and other professional matters such as taxation, budgetary measures etc.;
- Speaker at various seminars relating to audit, tax (direct and indirect);
- Torch bearer for the profession at various career counseling sessions in various colleges/education counseling sessions etc.;
- Served as judge at ICAP students finance Olympiad;
- Collaborated with other firms for the formation of CA toastmasters club and serving presently as its founding president

The humble efforts from JehanZeb Amin towards the seniors and society include recognizing his mentors, alma maters and participation in various events of civic interest either in standalone capacity or in collaboration with other professionals/peers. JehanZeb Amin's seniors stand privy for his regard and reverence for seniors whereas the youngsters hold truth of his support and care for the professionals in making. JehanZeb Amin is member of various alumni associations and has also served some of them at responsibility/executive committee levels. Further, he is also a member of Lahore Gymkhana and Islamabad club and there from have been regularly involved in contributing to the calls of philanthropic causes. Besides above, have actively participated (mostly with professionals and peers) in rescue, relief and rehabilitation of special children and internally displaced people who were victims of flood, earthquake or any other calamity.

**JehanZeb Amin's idea of service to members of the Northern Region emanates from his passion and proven track record of service to the Institute and stake holders** (which include members, students and employees) of the institute. It goes without any doubt that any blessings that come our way ought to be attributed to kindness of Almighty, prayers of parents and guidance of mentors. JehanZeb Amin strongly believes that

amongst them, one must attempt at least to repay to the society by doing service at large and holding high the flag of values and professionalism. At this juncture it is also imperative that one must be cognizant of the fact as to what constitutes scope of the NRC; which in essence hovers around CPD, Libraries and certain members/students events along support to CASA. The broader thought includes coordination with other NRC and Council members, local (each city) CPD committee and put in place a comprehensive CPD charter which provides varied opportunity to gain learning either through in person sessions, or webinars or e-learns or suggested readings. Further, the libraries should be a power house of knowledge with up to date and latest pronouncement where members would want to come and derive maximum knowledge. For this, the respective committees would have to made more vibrant and resources allocated to bring them at par with the internationally accepted norms. CASA is nursery for our tomorrow and we need to extend a helping hand, lend full support and encourage them to yield leaders and professionals for tomorrow. For them it's not only passing of exams but rising beyond that to yield a composite professional.

Today, we Chartered Accountants stand with a high head for which the applause goes to those who have always conducted themselves in befitting manner and lived their lives in upholding integrity, credibility and professionalism of our supreme qualification. JehanZeb Amin's intent is to stick to those ethics, values, integrity and accordingly, contribute to the continued excellence and progression of our profession. Thus, now it's upto the membership to understand and recognize the efforts of such members who have proven track record of service to the institute, have risen beyond self, have tried to bring new dimensions to professionals are aware of the institute's modus operandi, welcome and consider feedback and are available to facilitate the stake holders.



**Kamil Fatah, ACA [R-7382]**  
Partner: Kamran & Co. Chartered Accountants

Being the most junior member among all the candidates contesting the election, I don't have any significant achievement that stands out, however, there is always a first step towards every achievement.

I completed my articles from A. F. Ferguson & Co (a member firm of Price Waterhouse Coopers) and joined Kamran & Co as Manager (Audit). After completion of qualification, I was deputed as branch in-charge Islamabad office and currently I am Partner-in-charge of Islamabad office.

I have experienced both the environments, i.e. being part of a leading firm in Pakistan as well as of a medium practice CA firm and, thus, have a fair idea of areas in which the Small and Medium practices (SMPs) face challenges in particular and all CA firms in general.

The challenges being faced by SMPs are enormous, the most significant among these is staying up to date with new developments. Proper implementation of CPD program is as essential as being able to pass the qualification itself. My ultimate goal is to develop and implement effective programs which are in the best interest of the SMPs, and if I'm elected, the regional committee will surely be a good platform to help improve upon this issue.

Moreover, in my opinion the quality of profession is deteriorating gradually due to certain policies being introduced more recently. I have witnessed qualified Chartered Accountants not being able to secure jobs even after lapse of 6 months or more and they eventually are forced to compromise on their professional positioning and have to accept jobs, they otherwise would

never have even considered. Previously, it was us, the Chartered Accountants, who chose which job we will do, now we have to accept the first job we are offered due to a fear of staying jobless for an extended period.

The cutting edge of being a Chartered Accountant in back days was that those who were able to qualify used to pass all papers in one attempt (with a maximum of one referral) and failure in one of them lead to reattempting the whole module. Now the students attempt one/two papers at a time, by which they are eventually

able to pass all the papers but in no means have the same quality that the more senior members have.

It's about time that someone raises voice against such policies which are slowly eating away the pride and esteem of our prestigious qualification.

I believe that **ACTIONS SPEAK LOUDER THAN WORDS**, hence will not go on to make long claims, however I am surely an advocate of the premise that **if the intentions are good, sooner or later you will reach the destination.**



**Khawar Mustafa, FCA [R-4348]**

I am Khawar Mustafa and I am fellow member of Institute of Chartered Accountants of Pakistan. I also take pride in being old Ravian and have secured my B.Sc. degree with major in Economics and Statistics from GC University Lahore.

I have completed my CA articles from Grant Thornton Anjum Rahman – Lahore office and also served in my parent firm as Assistant Manager (Audit and Assurance Services). Then I moved to Industry and have gained rich and diversified experience of both manufacturing as well as services sectors ranging from Textile Industry to Telecom Sectors at senior management positions and presently, I am heading finance function of Vision Group Islamabad.

### Vision Statement

I wish to see ICAP working in a very fair, transparent and interactive manner with members and provide members with highest possible level of information. It should involve members in decision making process in a more effective and objective manner while taking critical decisions like providing exemptions to any business schools or starting industry articles, merely conducting roundtable conferences and seeking general views is not enough. ICAP should take some sort of e polls or at least SMS voting in clear YES/NO form and employ collective wisdom of members.

Further, Criteria of awarding educational loans and scholarships and its pre requisites should be available to members and should be applied uniformly across the board.

### Services to the Institute

Presently, I am serving second time as CPD member of Islamabad office and have participated in organizing and conducting various CPD activities including selection of topics and speakers in consultation with Chairman of CPD committee and other fellow members.

My Agenda is as follows:

### Enhancement of Quality of CPD Programme

I feel we should enhance presentation skills of our members and make them comparable with those of leading business schools/universities. CPD activities should be little more than just coverage

of professional topics like Audit, Tax, Budget etc. but it should also cover global and national socio economic issues and scenarios. We must equip our members to become business leaders and leap from CFO to CEO.

Specific CPD Activities should also be held for our overseas members keeping in view local environmental requirements.

### Concept of e Library

Busy schedule and hectic life style of most of our members hardly allows them to personally visit and avail libraries. I am of the view that Concept of e library should be introduced so that members can read their desired books online.

### Industry Members' Representation

I very strongly feel that due to nature of work, job pressures and other environmental factors, Industry members cannot take active part in various activities of ICAP. Although industry members approximately constitute around 80% of total membership, but their representation level is meager as compared to their membership size at almost every forum of ICAP ranging from Council to Regional Committees.

This gap is not a healthy indicator and must be eliminated or brought to an acceptably lower level by more representation and interactive participation at different forums of ICAP.

### Concept of EOGM

Promoting essence of democracy and corporate governance, I believe that any decision of the council, impact of which exceeds its tenure MUST take ratification from members through vote in form of Yes/No. For this purpose, an EOGM may be called with proper circulation of agenda or voting may be done through e mail or SMS.

Industry members have the right to give opinion on issues which are impacting their long-term career growth and holding of such EOGM will bring more transparency.

Further collective wisdom of members must be employed though vote while deciding about important issues i.e. placing restrictions on industry members from entering practice.

Industry articles is also a new concept which is likely to dilute the quality, skills and expertise of those graduating through this route. This will negatively impact not only goodwill but also job market of members in general and Industry members in particular.

Introduction of EOGM concept is likely to offer some sharing of views and involvement of those being affected.

### Job Placement

Although quite good work has been done on the subject but still lot more needs to be done. Currently most jobs are secured with personal references and we see a very little role of ICAP in this regard. ICAP should make industry wise pools of its members and similarly it should market and approach different Industrial Groups to find/determine any existing and potential job opportunities. Its role should be similar to somewhat like a match maker.



**Muhammad Ali Rafique, FCA [R-5619]**

### Brief Profile

#### Academic Qualification/Membership

- 2003 - Graduation
- 2009 - Admitted as Associate Member by ICAP
- 2015 - Admitted as Fellow Member by ICAP
- 2012 - Member CA Toast Master Club Lahore

#### Primary Position in Organizations

- 2004 - 2008 Trainee Student at M/s S. M. Masood & Co. Chartered Accountants
- 2009 - 2010 Manager at Riaz Ahmad, Saqib, Gohar & Co. Chartered Accountants
- 2010 - till date Partner at Riaz Ahmad, Saqib, Gohar & Co. Chartered Accountants

#### Personal Interest

Travelling, Bonding with family and friends, long distance running, professional reading...

#### Personal Statement

My story of success is very simple. I belong to middle class family. Like all parents my parents wanted me to excel in my life so they

taught me to respect others, be honest, sincere and humble, work hard as there is no short cut to success and always fulfill commitments, etc. My turning point in life was when I qualified and decided to remain in practice; a tough choice. Following my passion I joined a relatively small practice as Manager of which now I am the partner incharge of its local branch and for which I feel very proud as due to my positive qualities I am able to grow with the firm.

My passion for the profession and love for ICAP are unmatched and also uncompromising. Whilst appreciating our past members endeavors for better ICAP I also want to offer my skills, experience, commitment and energy by making a still better ICAP Northern Regional Committee. Being a young member I can inject new energy in ICAP Northern Region Committee. My prime focus is to look forward and find solutions, rather than to look back and find faults. I feel strongly about being genuine and listening to and addressing the concerns of members in Northern region. I know every member is bursting with ideas and enthusiasm about how to improve things, which I will heartily welcome.

Please vote for me and I will make it happen!



## **Muhammad Imran, ACA [R-6028]**

Partner, Audit and risk advisory  
BDO Ebrahim & Co., Chartered Accountants

### **Professional Background**

#### **Qualification**

- Chartered Accountant (ACA)- Associate Member of Institute of Chartered Accountants of Pakistan
- Associate member of Pakistan Institute of Public Finance Accountants
- Finalist of Institute of Chartered Accountants in England & Wales

#### **Professional career**

Partner – BDO Ebrahim & Co. – Lahore, Pakistan

#### **Positions Attained in Organization and Key Achievements**

Muhammad Imran is an Associate Member of the Institute of Chartered Accountants of Pakistan.

Imran completed his mandatory articleship period with BDO Ebrahim & Co. After completing his qualifications, he was promoted to Manager, Senior Manager and Director Audit and Assurance over a six year period. In 2015, he was promoted to Partner and leads Audit and Advisory services at BDO Ebrahim & Co. Lahore office. He also worked internationally with BDO Cayman Islands and BDO Singapore as a Manager Audit services.

Imran has more than 8 years post qualification experience and is also currently serving in Accounting Standards Committee of ICAP.

He has a comprehensive understanding of China Pakistan Economic Corridor (CPEC), its geography and related challenges. He has also attended international seminar on One Belt One Road in China. He has also attended training session carried out by International Academy of Business Professionals in China.

He plays an active role in the training and development of the Firm's professional staff. In this capacity he has attended several training courses and also leads several in house training sessions.

He has also contributed in Pakistan Accountant through submission of articles from time to time.

### **Previous Service to the Institute**

- He has served as member of the Accounting Standards Committee for the term 2015-16 and 2016-17.
- Invigilator for ICAP examination

### **Ideas and Views about the Activities and Contributions**

- To organize seminars and workshops on critical topics including presentation skills and ensuring the presence of key experienced members from industry and profession in seminars as to provide members and students the opportunity of face to face interaction and help to achieve an understanding of the industry and the profession.
- To contribute towards improving the working of the ICAP committees: Sub-committees can be very helpful in assisting the NRC in doing their work more efficiently and effectively. I believe more research and consideration of information is required to ensure effectiveness of these committees. Better dialogue between committee members is also required. Further, it is desirable to bring young members on those committees. I believe that views of younger members are required to enhance the performance of these committees with new ideas.
- To bridge communication gap with senior members: There is more frequent communication required with senior members to bridge the gap. Guidance is required from senior members and then to correlate the guidance with new/fresh ideas. Mentor program is a good example. This can be enhanced.
- To run the ICAP on professional and modernized basis to ensure CA remains a prestigious qualification and ICAP a reputed institution worldwide.
- Education policy: I believe NRC can play an important role in this by supporting the Council for preparing a well thought policy for CA education based on research and development to cope with international challenges.
- Facilitating job placement of the members in private and public sectors. Seminar and networking program can be launched to facilitate this.





**Nouman Razaq Khan, FCA [R-3001]**

### Professional Qualification

**Fellow Chartered Accountant (FCA)** - Qualified in 1998  
(Membership # 3001)

**Bachelor of Commerce (B.Com)** 1991

### Professional Experience

**Partner in PKF F.R.A.N.T.S. Chartered Accountants**  
Period: Since October 2009

**Partner/Sole Proprietor in Nasir Nouman & Co. Chartered Accountants**  
Period: 2004-2009/2009 to date

**Sole Proprietor in Nouman Razaq & Co. Chartered Accountants**  
Period: 2004-2009

**GM Finance in HNR Company (Pvt.) Limited**  
Period: 2004

**Controller (Finance and Accounts) in Leather Field (Pvt.) Limited**  
Period: 1996 to 2000 & 2001 to 2004

**A. Officer in Abu Dhabi Investment Authority, Abu Dhabi, UAE**  
Period: June 2000-June 2001

**Articles in Hameed Chaudhri & Co. Chartered Accountants**  
Period: 1991 to 1996

### Professional Memberships

**Life time Membership of Lahore Tax Bar Association (LTBA)**

### Past Services to the Institute

**Member NRC CPD Committee, Lahore (2010)**

### Objectives to Contest for NRC

Being a member of the Institute of Chartered Accountants of Pakistan (ICAP), having more than twenty six years' of attachment with the ICAP in the category of student as well as its member, I remain the beneficiary of this attachment all these years whether in terms of availability of performance opportunities resulting into professional recognition, financial benefits or social appreciativeness. ICAP provides a platform to its members to utilize our knowledge in the field for the betterment of the businesses, industries, Governments, individuals and other entities.

Keeping in mind a quote from Alexander the Great, "I am indebted to my father for living, but to my teacher for living well", I would like to pay back to the Profession, Institute and professional fraternity including students by providing support to the North Regional Committee (NRC) to add value with true positive intent to holistically improve its functioning for the betterment of NRC members and students. I understand that being a member of the NRC Committee, the efforts of the one who wants to contribute positively become more effective, organized, productive and result oriented in comparison with the individual's efforts.



**Rafqat Hussain, FCA [R-5536]**

Mr. Rafqat Hussain is a fellow member of ICAP. He is a leading tax consultant of the country and is Managing Partner of Rafqat Hussain & Co Chartered Accountants. He has an extensive and wide range of experience in specialized fields spreading over 14 years.

Mr Hussain was elected as NRC Member of ICAP in 2013. He served the institute in various capacities as Conveyor CPD-North for two terms during 2013-14 & 2015-16, Chairman CASA - North for two terms during 2013 - 14 & 2015 - 16, Member Taxation Committee for consecutive three terms during 2014-17, Chairman CPD Committee of Lahore and Islamabad/Rawalpindi during 2013-14 and 2015-16 respectively. Mr Hussain is also a certified director form ICAP.

He proved instrumental for various initiatives taken by NRC and CASA-N including initiating of E-Learning Platform for CPD Activities, holding of ICAP Students conference first time in the history of North Region and family get-togethers for members.

### Ideas and Views for Upcoming Election

- Capacity Building of ICAP-North Office as a facilitation centre.
- Liaising with trade bodies/associations for positive image of ICAP and to create job opportunities for members.
- Quality CPD events and to make CPD available with flexibility of time, comfort and convenience through effective CPD Portal.
- Representation to council for MOUs with international accounting bodies for recognition of CA qualification and reciprocal memberships.
- Representation to council for opening ICAP offices outside Pakistan to keep pace with global changes and to facilitate the overseas members.
- Representation to council for capacity building of SMPs and to enhance the revenue stream of SMPs.
- Pursue various initiatives for job creation/placement and to work for job security/compensation for un-employed members.
- Organizing networking events for members.
- Up to date and well equipped library and reading rooms



**Shaukat Hussain, ACA [R-7200]**  
(CPFA - FPFA - CFC)

A highly accomplished, result-driven senior accounting and financial management executive with more than 25 years of experience in finance and operations management within start-ups, services and manufacturing organizations. Demonstrated ability to streamline business operations that drives growth, increase efficiency and bottom-line profit.

### **Effective Combination of Managerial and Leadership Skills, with Expertise in the Financial Operational Disciplines of:**

- Performance Management & Leadership
- Treasury Contacts
- Corporate Governance
- Legal, Audit, Statutory & Fiduciary Compliance
- Compliance Business Expansions
- Tax Management
- Risk Management & Revenue Assurance
- Contracts Administration
- Strategic Planning
- Feasibility Management
- Problem Escalation
- Management ERP Implementation
- Costing & Budgeting
- Financial Analysis & Management
- Mergers & Acquisitions

### **Professional Qualifications**

- **Chartered Accountant (ACA)**  
Institute Of Chartered Accountants of Pakistan (ICAP)
- **Chartered Public Finance Accountant. ( CPFA )**  
Qualified Accountant Member  
Chartered Institute Of Public Finance and Accountancy (UK)
- **Fellow Member of Pakistan Institute of Public Finance Accountants (FPFA)**  
Pakistan Institute of Public Finance Accountants (PIPFA)
- **Certified Financial Consultant (CFC)**  
Institute of Financial Consultants, Canada (IFC)
- **Certified Director (ICAP)**  
(As Required by Code of Corporate Governance issued by Security & Exchange of Pakistan)

### **Service to Professional Institutes**

Responsible to contribute and strengthen our institutions and its members by participating in its activities with zeal and motivation. Recent activities and involvement are as follows:

- Member of Continuing Professional Development (CPD) Committee of ICAP, Lahore (2013-16)
- Member of Professional Accountants in Business (PAIB) Committee of ICAP (2014-17)
- Member of Sub Committee / Taskforce of PAIB Committee of ICAP for Advocacy( 2014-16)

- Member of Sub Committee / Taskforce of PAIB Committee of ICAP for Survey and Media (2014-16)
- Member of Sub Committee / Taskforce of PAIB Industry Specific Guideline (2017)
- Member Publication Committee of ICAP (2017)
- Convener / Member of Lahore Branch Committee (PIPFA) (2013-2017)
- Member of Arbitration Panel of Karachi Stock Exchange Limited (As Industry Expert) Nominee PIPFA
- Faculty Member of Pakistan Institute of Public Finance Accountants
- Life Member Lahore Tax Bar Association (LTBA )

### **Professional Experience (To Date)**

- **Chief Financial Officer**  
Din Group
- **Manager Accounts.**  
Faisal Spinning Mills Ltd. Weaving Unit (Umer Group)
- **Manager Accounts.**  
Ellcot Spinning Mills Limited (Nagina Group)
- **Manager Accounts.**  
Prosperity Weaving Mills Limited (Nagina Group)
- **Articles (under CA bylaws)**
- Clarkson Hyde International Tariq Ayub Anwar & co. (Chartered Accountants)

### **Election Agenda / Objectives**

#### **Contesting For the First Time with the Objectives**

- Elimination of Differences between the Industrial and Practicing Members
  - **Practicing License** (Opposed amendment in CA Bye-Laws by which industrial member was required to obtain 2 years' experience to upgrade knowledge in a professional firm before directly going to practice / Setting up new firm. This proposal is deferred, but not abandoned.
  - **Fellowship of ICAP** (Suggested that time period should be same to become fellow member of ICAP for all members irrespective of their status i.e. practicing / non-practicing. Highlighted the matter in ICAP's AGM, which result in amendment has been proposed in revised Chartered Accountants Ordinance pending for approval.)
- **Formation of Sub Committees of NRC (CPDE, Library etc.)**
  - Through invitation to members belong to respective regions and selection should be made on the basis of member's profile for better representation of all practicing and industrial segments.
- **Strengthening the Scope of NRC**
  - To address all education related matters like monitoring and registration of RIET's, Scholarships for Students in-line with the rules/guidelines governed by council and ETCOM.



**Zeeshan Aslam, FCA [R-4015]**  
FCCA (UK), CIA (USA), APA

### A. Brief Particulars of the Candidate

A Seasoned Chartered Accountant with 18 years of experience of Pakistan and overseas thus combining best of both worlds. He has served about 10 years as partner in a firm of chartered accountants and 8 years at senior position overseas in industry. Moreover he has taught various accountancy subjects as a visiting faculty member in an accountancy college and also served as a corporate Trainer.

### B. Positions Attained in Organizations and Other Fields of Services (First to be the Most Recent)

1. Sole proprietor of Zeeshan & Co., Chartered Accountants.
2. A senior position in Overseas Public Sector Organization.
3. Partner in SM Ijaz Zeeshan Aslam & Co., Chartered Accountants.
4. Manager Assurance Services in a firm of Chartered Accountants.
5. Audit Associate of Muniff Ziauddin & Co., Chartered Accountants.
6. Visiting faculty member of REAT College and corporate Trainer.

### C. Key Achievements

1. Passed all CA, ACCA and CIA exams in first attempts.
2. Served clientele ranging from SMEs to Multinationals, private to public sector.
3. A fellow member of ICAP, ACCA and the Institute of Internal Auditors USA.
4. An active member of a family owned/run NGO/Society, thus trying to pay back to the community.

### D. Previous Services to the Institute or Council or Regional Committee or Other Committee(S)

1. Wrote few articles in Pakistan Accountant.
2. Actively participated in CPD seminars/conferences of ICAP.

### E. Ideas and Views of the Candidates about the Activities and Contributions of the Institute to the Profession of Chartered Accountants:

#### E.1. Background

The Institute of Chartered Accountants of Pakistan (ICAP) is the most reputed institution in the field of accountancy in Pakistan and across the world. We had a glorious past and ICAP was considered as the elite club due to the quality of accounting services and best accountancy professionals produced by ICAP. However over the period of time we are facing various external and internal challenges thus impacting its members and students recognition. Therefore it's high time that **we should stand by our Institute and strengthen its hand to deal with these matters strongly and convert these challenges to opportunities for our members and students.** Our predecessors have contributed a lot to improve the situation but now it's our bit to participate and help ICAP to strengthen.

#### E.2. Things to Do

1. To regain the **glorious past of our Institute** is my foremost

objective and to make sure that **the Institute regulates accountancy profession** in a strong way.

2. To work closely with industry and **create job opportunities for our members and students. Institute should help members and students in finding jobs** and ensuring appropriate remuneration for its members/students according to their role and responsibilities.
3. **A win win situation should be ensured while granting exemptions to graduates/students of other colleges and universities** and there should be reciprocal benefits for our members/students.
4. To ensure that ICAP work more closely with Regulators and Lawmakers **to create more opportunities for Chartered Accountants both in Industry and Practice.**
5. **A strong stand should be taken by the ICAP with regard to the foreign qualifications operating in Pakistan** and for this ICAP may study our neighbors like India, whose Institute of Chartered Accountants regulate accountancy profession through strong support of their Law Makers and they do not allow foreign qualifications to be taught in India.
6. **Reduce the cost of CPD** for both members and students and increase the numbers of CPD activities.
7. **Members should be involved while developing annual/quarterly/monthly CPD activities** and ensure that all members should participate and attend.
8. **ICAP membership/student card** should not be a discount card only instead it should reflect elite club card. Members and students should be given **more benefits including free/reduced price usage of hotel facilities, airport lounges, health clubs etc.**
9. There should be **separate and priority counters for ICAP members in FBR, SECP, NADRA, Passport Offices etc.**
10. **The designation of Chartered Accountants in Pakistan should be restricted to ICAP members** only and no other foreign qualification be allowed to use this or near to this designation and they may only be restricted to Accountants only.
11. To date few firms, who are subjected to QCR, are more (if not over) regulated whereas rest of the firms are not regulated at all. More over there is one stick for all QCR firms whether they are doing listed entities audit or not. There is a need to study this more closely to avoid a situation where few firms are over regulations and rest are not. **Also and more importantly the role of ICAP should be more of a facilitator and provide an enabling environment to the member firms and QCR criteria/requirements should be documented and educated to members instead of using stick with the members.**
12. **Sense of equality should be implemented and no division as such of category A, Category B or C by SBP or SECP.**



**Zone B - Northern Region**

# Regional Committee

## **01 Candidate**

Shahid Iqbal Khattak, FCA





**Shahid Iqbal Khattak, FCA [R-4423]**

### Profile

With utmost honor I am inking profile for the very seat of learning that attended and has made remarkable professional impact on career. Since my qualification of CA in 2005, I have been proactively affiliated and enfold as an active fellow member of the Institute of Chartered Accountants of Pakistan (ICAP). I have been conferred with fellow membership of the Pakistan Institute of Public Finance Accountants (PIPFA) as well as entitled to associate member of the Chartered Institute of Public Finance Accountants, UK.

On professional market based associations, my career commences with serving EY Ford Rhodes, Chartered Accountants, Karachi for period of 8 years (2004-2012). Prior to joining EY, I completed my articles with Grant Thornton Anjum Rehman, Chartered Accountants, Karachi, in 2003.

I am privileged to have professional practice branching-out exceptionally to the most leading organizations in diverse sectors including Government, Telecommunication, Real Estate, Healthcare, Pharmaceuticals, Steel and Allied Products, Banking and Financial Institutions, Oil and Gas, bilateral and multilateral donor agencies and/or their implementing partners.

I have served a premier private sector Medical Institution in Khyber Pakhtunkhwa, Rehman Medical Institute, Peshawar as Director Finance progressively for 3 years;

As partner Advisory Services, Sehgal Shahid & Safdar, Chartered Accountants, I remained in practice for period encompassing 2015 – 2016.

Currently, I am serving KP Economic Zones Development & Management Company (KPEZDMC), Department of Industries and Commerce, Government of Khyber Pakhtunkhwa (KP) as Chief Financial Officer and Company Secretary.

KPEZDMC has been established by KP government and governed under public private partnership modalities to capitalize on experience and skills set of professionals in private sector in close association with public sector. It aims to establish new Economic Zones and manage (rehabilitate) existing industrial estates for

revival of economic and industrial sector in Khyber Pakhtunkhwa since 2015.

### Services to the Institute

With keeping close knit affiliation with seat of learning, I have been vigorously involved with ICAP in following capacities;

- a. Chairman, CPD committee
- b. Member, CPD committee
- c. Invigilator and Examination supervisor
- d. Part of organizing committees for social/academic events for ICAP

### Prospective Key Ideas/Aims/Propositions

Following are the prospective key ideas/aims/propositions for enhancing networking and upgrading ICAP's existing academic structure and strengthening its market base.

1. Collaboration and affiliations with academia/ universities to present ICAP qualification as most relevant, exciting, and unique qualification for future
2. Market ICAP's education system based on applied knowledge of business and finance in relevance to the shifting and emerging economic dynamics of the country as well as region on global forums and to eliminate the fear factor.
3. Expansion in financial support initiative for talented students for projecting institutional support in promoting and encouraging talent.
4. Branching-of ICAP in all major cities through regional offices and establishment of own premises, wherever feasible.
5. Active Involvement of ICAP with industries, academia and government for improvements in their value chain and launch/ support in joint economic initiatives.
6. Follow up with Higher Education Commission to recognize CA qualification beyond Master degree and to allow post doctorate/ specialization in multiple fields to expand and upgrade the existing educational notation; for this is dire need of the hour to bring the institutional caliber in line with the global demands; keeping in view the unique position Pakistan will be witness in near future.
7. Expansion in reciprocal recognition with International Accounting Bodies allowing ICAP professionals to serve in other countries more effectively.

