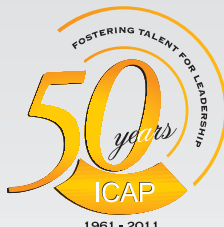




Newsletter

The Institute of Chartered Accountants of Pakistan

2011
GOLDEN JUBILEE YEAR



FIVE DECADES OF UPHOLDING INTEGRITY, INCULCATING
PROFESSIONALISM AND ENHANCING QUALITY

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MEETINGS 'N' EVENTS



The President, Council Members with the delegation from CSR-DC Iran at ICAP Head Office

Delegation from CSR-DC Iran Visits ICAP

Corporate Social Responsibility Development Center (CSR-DC), Iran with the intention to introduce principles of good corporate governance in the Iranian corporate sector, approached PICG for assistance in capacity building. In response PICG invited the delegation from CSR-DC, for a study tour to Pakistan.

The Study Tour aimed at providing the delegation the opportunity to meet and interact with prominent businesses and corporate leaders who have helped implementation of good governance practices in their respective organizations. Keeping in mind the instrumental role of the Institute in initiating and implementing corporate governance in Pakistan, ICAP member and the President of PICG Mr. Fuad Azim Hashimi arranged for the delegation to visit ICAP as a part of the Study Tour.

The delegation comprising of representatives from Business Sectors, Private sectors, NGOS and Academia visited ICAP on 2nd February 2011. The delegation met with the President Mr. Saqib Masood, Vice President Mr. Zahid Bhatti, Council members Mr. Khalid Rahman, Mr. Yaqoob Suttar, Mr. Nadeem Yousuf Adil and the Secretary and Directors of the Institute.

Mr. Saqib Masood welcomed the guests. He highlighted the importance of good corporate governance citing it to be the propeller to robust economic and business environment and gave a presentation about the Institute, its functions and working and the achievements. Mr. Khalid Rahman gave a presentation on the corporate governance in Pakistan. The delegation had a highly interactive session with the council members to understand the initiatives taken to implement corporate governance in Pakistan and the role of ICAP. Mr. Nasser Noruzi expressed thanks on behalf of the Iranian delegation.

Seminar on Professional Ethics in Practice – Alarming Trend

The Southern Regional Committee of the ICAP organized a Seminar on “Professional Ethics in Practice – Alarming Trend” on Thursday, January 20, 2011. A seasoned professional Mr. Masoud Ali Khan was the Guest Speaker. Mr. Khan a Fellow member of the Institute of Cost & Management Accountants of Pakistan (ICMA) has a successful track of leading and managing business, finance of reputed organizations in Pakistan as well as Middle East. The seminar was attended by fifty six members and eleven non members.

Mr. Khan made excellent presentation covering global trends from 1980 till 2010, describing how the accounting scandals & frauds have increased manifolds during the last decade. He also quoted some corporate policies / cases as eye-openers indicating how big corporates are involved in unethical practices. A fraud survey conducted by KPMG- India in 2010 was also used to substantiate the trend in the region.

Mr. Khan proficiently highlighted the causes of a declining trend along with remedial measures to improve the same. He particularly emphasized the need to focus on Character Building instead of merely grooming personalities. He concluded the presentation with following excellent advice of our beloved Prophet SAW:

“What is lawful is clear and what is unlawful is clear, but between them are certain doubtful things which many people do not recognize. He who guards against the doubtful things keeps his religion and his honor blameless, but he who falls into doubtful things falls into what is unlawful.”

Meetings

The Institute of Certified Public Accountants of Singapore (ICPAS) is hosting the meeting of the Professional Accountancy Organization Development Committee (PAODC) of the International Federation of Accountants (IFAC) on February 14-15, 2011 in Singapore and other related events. ICAP will be represented by Mr. Shabbar Zaidi and Mr. Naem Akhtar Sheikh.

Philippine Institute of Certified Public Accountants (PICPA) will host the CAPA Strategy Committee Meeting at InterContinental Manila from 18 -19 February 2011. Mr. Rafaqatullah Babar will represent ICAP in the meeting.

Northern Regional Committee Workshop

The Northern Regional Committee of the Institute of Chartered Accountants of Pakistan arranged a workshop on Wednesday January 12, 2011 at ICAP House Lahore on “Understanding the Connection between US Dollar, Gold & Crude Oil” by Mr. Bilal Ilaahi.

Today's global economic environment has become very uncertain and unpredictable. The job of policy makers and strategic planners, in public and private sector organizations, has become even more difficult. US dollar, gold and crude oil, are the three most important markets in the world. An understanding of these markets helps get a handle on the global macro-economic / environment and its impact on Pakistan's economy. The purpose of the workshop was to introduce to the participants to the three markets and create an understanding of the impact and linkages with the local economy.

Seminar on CSR

A Seminar on “Corporate Social Responsibility- CSR” was held at ICAP House Peshawar on January 21, 2011.

Mr. Shuja Ul Mulk, ACA, the speaker pointed out the fact that companies can no longer operate in isolation. Politicians, civil society organizations and consumers are demanding openness and transparency. He further emphasized that stakeholders want companies to take responsibility for the ways in which their business operations affect people and the environment - close to home, as well as far away.

Mr. M.A. Shahid, FCA summed up the session and appreciated the presentation.

MEMBERS SECTION

UK Chapter Management Committee Elected

With the withdrawal of a candidate the Election Oversight Committee declared the remaining five candidates elected unopposed for the five seats of the Managing Committee for the term 2011-2013.

The Management Committee will be electing the office bearers for the term and the members will be duly informed of the developments.



Hassan Kamal Farooqui, ACA R-4803
hkfarooqi@hotmail.com

Hassan is working with JP Morgan Chase as an "Assistant Vice President" with their "Private Equity & Real Estate Services" team. His current portfolio comprises of private equity funds set up in Europe and Middle East & North America regions.

He is an ACA and Diploma Associate of Institute of Bankers' Pakistan. He started his professional career with Ernst & Young - Karachi (Ford Rhodes Sidat Hyder) and has worked with Ernst & Young - London.



Mohammad Asghar Choudhry, ACA R-1406
mac@nazman.com; mac@abas.tv

Mr. Asghar Choudhry a thoroughly experienced professional.

He is FCA (ICAEW), ACA- ICAP and holds an Economics and Statistics degree. After qualifying in 1971 as a Chartered Accountant, Mr. Choudhry worked with different firms. The last association was with PWC.

With over four decades of experience as a practicing accountant coupled with a profound understanding of businesses types, he is currently working as Director of Mac's Administrative Advisory Services Ltd and caters to clients with dysfunctional management or nonexistent business strategy.



Muhammad Adnan, ACA R-4118
Muhammad.adnan1@gmail.com

Adnan a seasoned finance professional with a zeal to help students and is all and all a People's Person'.

He is an ACA and a Masters of Arts in Economics. Currently he is working with ExxonMobil; the largest of all Fortune Companies. He started his professional career with Sidat Hyder and has also worked for State Bank of Pakistan and Ernst & Young UK.

He is co-founder of FINPROS/Yahoo groups - one of the largest regional e-Forum for finance professionals and students.



Muhammad Faraz, ACA R-4463
farazjm@yahoo.com

Immensely ambitious and hardworking Faraz completed his mandatory training with KPMG Taseer Hadi & Co. in Karachi and migrated to UK in 2006.

He is an ACA and currently acting as Technical Accounting Manager within Finance department of Standard Bank Plc. Prior to this Faraz was associated with Deloitte LLP in London as Manager Banking and Securities Audit.



Roop Chand, ACA R-3874
 Roop Chand works for Deloitte UK
roopnp@gmail.com

New Firms

The Institute is pleased to inform that following two firms have been registered:

Name of Firms	Location
Sibghat & Co.	Islamabad
Ahmad Siraj & Co.	Peshawar

GOLDEN JUBILEE CELEBRATIONS

Inaugural Ceremony of the Golden Jubilee Celebrations

The Inaugural ceremony of the Golden Jubilee Celebrations will now be held on **Friday, March 4, 2011** at Sheesh Mahal, Serena Hotel Islamabad.

The ceremony including eminent speakers and other distinguished guests will provide a good opportunity for the professionals to network and interact. The registrations of the ceremony closed on 4th February 2011 with the members showing keen interest.

Gold Medal and Certificate Distribution Ceremony

ICAP Lahore is arranging a Gold Medal and Certificate Distribution Ceremony on Feb 17th 2011 at Royal Palm Golf and Country Club, students qualifying in 2008, 2009 and 2010 will be conferred with certificates and awards on the occasion. Senator Ishaque Dar has kindly consented to be the chief guest at the ceremony and Mr Adnan Afaq MD PACRA will be the key note speaker. The ceremony is expected to be attended by the President ICAP, leading senior CAs, industrialists, media.

Golden Jubilee Golf Tournament



The Institute, in a bid to celebrate Golden Jubilee with innovation for the first time is hosting a Two day Golf Tournament at the Karachi Golf Club (KGC) on the 19th and 20th February, 2011.

Members of ICAP and Karachi Golf Club are looking forward to this exciting event and we are seeing a very good response from the golfers. The Tournament is being exclusively sponsored by United Bank Limited, UBL Funds Managers and UBL Insurers Limited.

CFO Conference

Continuing the tradition the PAIB Committee has arranged the third CFO Conference to be held in 22nd March 2011 at Marriott. Keeping in mind the precedent set by *The Rising CFO* and *Challenge for Change* the Committee looks forward towards making the upcoming event an even greater success. The theme and other program details will be duly communicated to the members.

Council Member Elected President of PIPFA



Mr. Rashid Rahman Mir Council member of ICAP has been elected as President- Pakistan Institute of Public Finance Accountants (PIPFA) for the Year 2011. He has been serving as a Member, Board of Governors of PIPFA since 2008 and has remained Honorary Secretary and Vice President of the Institution.

Mr. Mir presently a senior partner of Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants. He has over two decades of diversified experience of audit, tax, management consultancy, project analysis and corporate law matters. He is a fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) since 1987. He is also fellow member the Institute of Cost & Management Accountants (ICMAP) and Pakistan Institute of Public Finance Accountants (PIPFA).

He was elected to the Institute's Council for the first time in 2005 and was re-elected in 2009 for a term of 4 years. He was the Vice President of ICAP, Chairman Education & Training Committee, CPD Committee and Accounting & Auditing Standards Committee. Presently he is the Chairman Accounting Standards Committee. He has also represented ICAP at various international forums.

He was elected as Vice President, in 2001-02 and the President in 2004-05 of Lahore Tax Bar Association 2nd Largest bar of the country. He also remained Senior Vice President of Pakistan Tax Bar Association for the term 2005-07.

ICAP and RSRIR Battle for Crystal Trophy

Friday 28th January 2011 saw the Team ICAP and RSRIR (Rahman Sarfraz Rahim Iqbal Rafiq) battling for the Crystal trophy at the Asghar Ali Shah Cricket Stadium under flood lights.

ICAP on winning the toss decided to bat first and test RSRIR bowlers. RSRIR struck early putting pressure on ICAP. However, the trusted Shoaib Ahmed being leading run scorer of the tournament and the new found talent Riaz Nawaz stood their ground and put on a 90 runs partnership for second wicket. The partnership was an interesting balance of moods with Riaz thoroughly entertaining the spectators with his delightful cover drives to reach his first 50 and a watchful Shoaib carefully ticking the scoreboard with ones and twos. The two led ICAP to the 100th mark in 14 over and looked set to pose a dangerous total. At this moment Muneeb the slow left-arm orthodox and Tahir Hanif (leg break) changed the direction of the game with their variation and immaculate line and length. Muneeb eventually made inroads in the ICAP batting line up by picking up 4 crucial wickets, while fast bowler Danish Waseem continued creating havoc with his pace and accuracy eventually being rewarded with 2 wickets for his excellent spell. The excellent fielding and the consistent breakthroughs by the bowlers restricted ICAP to 145 at the end of the 20th over. Riaz Nawaz and Shoaib Ahmed, Secretary ICAP topped the ICAP scoreboard with 52 and 44 respectively.

In reply RSRIR openers took full advantage of field restriction and blasted 60 runs in the first 6 over, after giving the flying start both openers shortly fell down. The duo Shahzad Suleman and Yasin, wicket keeper took charge and consolidated the position. Shahzad capitalizing on his good form made runs with ease with Yasin supporting him well. RSRIR managed to reach the target with 2 over to spare with Shahzad Suleman and Yasin both unbeaten on 61 and 33 runs respectively. Hasan Jaffri, Member ICAP was the only successful bowler taking 2 wickets for 34. Shahzad Suleman was declared man of the match for his unbeaten match winning knock.



Mr. Iqbal Sumar Presenting the Trophy to the RSRIR Captain Mr. Abdul Hakim

A sizeable crowd with banners and drums had gathered at Asghar Ali Shah Cricket Stadium, supporting their team and enjoying the flood light match. Prize distribution ceremony was attended by Senior Partners of RSRIR, Mr. Abdul Rahim Salim Bhai, Mohammad Waseem and Muhammad Iqbal Sumar. Mr. Mazhar Saleem, partner of KPMG announced the following awards to the exceptional players of the tournament:

- Winner trophy received by Abdul Hakim, Captain, RSRIR
- Runner trophy received by Shoaib Ahmed, Captain, ICAP
- Man of Final, Shahzad Suleman, RSRIR
- Best player of the tournament, Shoaib Ahmed, ICAP
- Best Batsman of the tournament, Shoaib Ahmed, ICAP
- Best Bowler of the tournament, Shahzad Suleman, RSRIR
- Best Fielder of the tournament, Talal Rishi, EYFRSH
- Best Wicketkeeper of the tournament, Asad Khan, KPMG

As an endeavor to encourage all the participating teams, the Participation awards were given to the representatives of teams present at the final match. The tournament was greatly appreciated by the participants and the crowd with ICAP being appreciated for its role in providing such healthy activity to its students and members. Mr. Shoaib Ahmed, Secretary ICAP announced that as a part of the Council initiative to celebrate the Golden Jubilee Celebrations the 4th ICAP T20 Cricket Tournament will take place in September this year.

e-IFRS Access on Website

To date 761 members and 117 students have subscribed access of e-IFRS.

Members & students interested can avail the facility by paying Rs. 400 at any ICAP office.

PERN2 Update

Since the activation of PERN2, 225 members of Northern Region, 215 members from Southern Region and 85 members of Overseas Region have opted PERN2 facility access to date. Members interested can forward their request by clicking the following link of ICAP website <http://www.icap.org.pk/web/index.php>. Trainee Students will also be able to avail the facility soon.

Life Membership

Members admitted as Life Members of the Institute in January 2011.

R-NO Name

R-1353 Zain, Masud

R-1263 Hussain, Mian Azmat

Removal of Name

The Council in its meeting held on December 24, 2010 has decided to remove the names of members of the Institute, who have not paid their membership fee for 2009-10, with effect from July 1, 2009 as per Section 19 (c) of the Chartered Accountants Ordinance 1961. Accordingly, 129 members have been removed.

For details: <http://www.icap.org.pk/web/myaccount.php>.

Membership Cards Update

To date 3,020 ICAP membership cards have been dispatched.

Staff News

Training and Development

Ms. Tahera Arshad, Internal Auditor has attended conference on the "Role of the Independent Director" on January 19, 2010 organized by the PICG.

Welcome!

New Fellow / Associate Members

Individuals recently admitted as Fellow/Associate Members of the Institute:

Fellow Members

R-No.	Name of Member
R-3228	Ashraf, Muhammad Noman
R-3146	Husain, Muhammad Irfan
R-3794	Majeed, Faisal
R-3251	Saleem, Muhammad Shahzad

Associate Members

R-No.	Name of Member
R-6304	Ahmed, Adnan
R-6309	Ahmed, Waseem
R-6313	Chowhan, Anoush Kennan Ali
R-6302	Dossa, Rizwan Ramzan
R-6301	Faizan, Muhammad
R-6315	Farooq, Muhammad Umer
R-6314	Ghaffar, Amjad
R-6320	Hashmi, Farhan
R-6321	Iqbal, Amir
R-6303	Javaid, Maham
R-6299	Jawed, Muhammad
R-6318	Jehangir, Muhammad Farrukh
R-6311	Karim, Syed Usman
R-6270	Khalid, Nauman
R-6310	Khan, Abdul Rauf Ali
R-6279	Mohib, Farhan
R-6307	Moiz, Muhammad
R-6322	Mubarik, Zainab
R-6316	Musab, Muhammad
R-6306	Rehman, Qazi Syed Risalat
R-6308	Sadiq, Oosman
R-6325	Shah, Imdad Ali
R-6305	Shahid, Salman
R-6319	Sharjeel, Muhammad
R-6323	Tabassum, Muhammad Waqas
R-6312	Usman, Muhammad
R-6324	Zubair, Muhammad
R-6317	Zuberi, Haris

Mushko discounts on Microsoft products

Under the MoU between the Institute of Chartered Accountants of Pakistan and Mushko Electronics (Pvt) Limited (MEPL), Certified Gold Partner of Microsoft, ICAP members and students can avail discounts on Microsoft products.

For details: http://www.icap.org.pk/web/icap_muskol_mou.php

Ufone discounts on Black Berry and services

The discount facility offered by Ufone on Purchase of Black Berry and other services can be availed by ICAP members. Till date 801 members have availed the offer.

For details <http://www.icap.org.pk/web/mou.php>

Obituaries

Mr. Muhammad Farid Alam, FCA (R-2418) bereaved his father on 31st January 2011.

Syed Hafizullah, FCA (R-0185), Partner Rahim Jan & Co, Partner Hafizullah & Co bereaved his wife on 1st February 2011.

Mr. Abdullah Yusuf, FCA (R-1001) Council Member bereaved his father on 6th February 2011.

Mr. Junaid Subhani, ACA (R-4875), Partner of Ahmad Junaid & Co, bereaved his daughter in February 2011.

Mr. Muhammad Umar (Audit Trainee - AAS/NYA Section) of MYASCO passed away at the age of 22 due to intestine infection.

Mr. Naveed Akbar newly inducted Audit Trainee (AAS/NYA Section) of MYASCO passed away in a road accident at the age of 23.

Members are requested to offer Fateha for the departed souls. May Allah rest the departed souls in eternal peace and enable the family members to bear the loss with fortitude and courage.

Group Health Care

For Employees of CA Firms:

The ICAP Benevolent Fund in arrangement with Askari Health is now offering two additional plans within its existing health care policy for members. It will now be possible for the CA firms as well to provide their permanent employees and their dependents with health care benefits. These plans offer substantial amount of coverage at discounted premium rates. The salient features of the plans are:

BASIC HOSPITALIZATION COVER:

Plans	Plan I	Plan II
Maximum limit (per person per confinement / ailment)	112,500	75,000
Daily room and board sub limit	3,750	2,500
Major medical care	165,000	110,000
Maternity benefit – Normal delivery	30,000	20,000
Premium (per annum)		
Self	3,915	3,132
Spouse	6,090	4,872
Child	2,175	1,740

For complete statement of benefits and premium please visit <http://www.icap.org.pk/web/links/320/groupbenefitschemes.php>.

Group Family Takaful (Term Life Insurance) Scheme 2010-11

For ICAP Members:

Negotiations are underway to enhance group takaful cover from next year. Cover upto Rs. 2 million is available to members against annual premium for Rs. 7,800/-. Other options of sum insured ranging from Rs. 500,000 to Rs.1.5 million are also available. Those who wish to join should send the cheque of premium for desired amount of coverage [worked out on prorated basis] in favor of the ICAP to the Secretary of the Fund along with Nomination form.

Brochures of the scheme and relevant forms can be downloaded from ICAP Website using the following link: <http://www.icap.org.pk/web/links/320/groupbenefitschemes.php>.

For further details about the schemes or activities of the Fund, please contact: Shakeel Ahmad, Secretary, ICAP Benevolent Fund Email: bfund@icap.org.pk or visit: www.icap.org.pk

TECHNICAL UPDATE

IFAC Update

IAASB Explores Financial Statement Disclosures and Audit Quality; Releases Discussion Paper and Thought Piece

The IAASB has released for public comment a discussion paper exploring key issues relating to disclosures in financial statements. Titled *The Evolving Nature of Financial Reporting: Disclosure and Its Audit Implications*, the paper highlights recent trends in the range, volume, and complexity of financial statement disclosures, and explores issues and practical challenges in preparing, auditing, and using them.

The discussion paper addresses critical issues such as challenges in preparing disclosures, the nature and extent of evidence for different types of disclosures, and the application of the concept of materiality to disclosures. Views from all stakeholders are sought, and the discussion paper asks specific questions of preparers; investors, lenders, and other creditors; regulators; and auditors. A consultation period of over four months has been provided to enable stakeholders to consider the complex issues addressed in the discussion paper.

The IAASB invites all stakeholders to comment on its proposals. To access the discussion paper on financial statement disclosures or submit a comment, visit the IAASB's website at www.iaasb.org/ExposureDrafts.php. Comments on the discussion paper on financial statement disclosures are requested by June 1, 2011.

IAASB Addresses Assurance (Other than Audit) on Financial Statements; Exposes Enhanced Review Engagement Standard

IAASB has released for public exposure proposed International Standard on Review Engagements (ISRE) 2400, *Engagements to Review Historical Financial Statements*. The proposed standard seeks to establish clear and robust requirements governing the practitioner's performance of a review engagement.

A financial statement review is, and should be seen as, a distinct service from a financial statement audit. It is essential that users are able to clearly distinguish between the two. An important aspect of the proposed standard is the form and content of the practitioner's report.

The IAASB invites all stakeholders to comment on its proposals. To access the exposure draft or submit a comment, visit the IAASB's website at www.iaasb.org/ExposureDrafts.php. Comments on the exposure draft are requested by May 20, 2011.

IAASB Proposes Assurance Standard to Strengthen Reporting on Greenhouse Gases

IAASB has released for comment proposed new International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*.

The proposed standard addresses the practitioner's responsibilities in identifying, assessing, and responding to risks of material misstatement, and contains illustrative assurance reports on greenhouse gas statements. The IAASB invites all stakeholders to comment on its proposals. To access the exposure draft or submit a comment, visit the IAASB's website at www.iaasb.org/ExposureDrafts.php. Comments on the exposure draft are requested by June 10, 2011.

IAASB Invites Comment on Its Future Strategy and Work Program; Makes Progress on Current Initiatives

IAASB has released a Consultation Paper for comment its *Proposed Strategy and Work Program for 2012–2014*. The IAASB is proposing to remain focused on three strategic areas:

- Developing and revising standards and pronouncements;
- Monitoring and facilitating adoption of those standards; and
- Responding to implementation concerns and improving the consistency of the standards' practical application.

To access the Consultation Paper or submit a comment, visit the IAASB's website at

www.iaasb.org/ExposureDrafts.php. Comments on the Consultation Paper are requested by April 4, 2011.

IPSASB Publishes Revised Guidance to Assist Public Sector Entities with Transition From Cash Basis to Accrual Basis of Accounting

The International Public Sector Accounting Standards Board (IPSASB) has released an updated and improved version of Study 14, *Transition to the Accrual Basis of Accounting: Guidance for Governments and Government Entities*. It provides guidance on how to migrate to the accrual basis of accounting in accordance with International Public Sector Accounting Standards (IPSASs), and is relevant to governments and other public sector entities, including international governmental organizations.

The latest edition of Study 14 covers all 31 IPSASs, including first-time coverage of the five IPSASs issued in late 2009 and early 2010: IPSAS 27, *Agriculture*; IPSAS 28, *Financial Instruments: Presentation*; IPSAS 29, *Financial Instruments: Recognition and Measurement*; IPSAS 30, *Financial Instruments: Disclosures*; and IPSAS 31, *Intangible Assets*.

The full text of Study 14 can be downloaded free of charge from the IPSASB section of IFAC's Publications & Resources site: web.ifac.org/publications.

IASB UPDATE

IASB and FASB Propose to Align Balance Sheet Netting Requirements

The IASB and the FASB have published a proposal to establish a common approach to offsetting financial assets and financial liabilities on the statement of financial position (balance sheet).

At present, the circumstances when financial assets and financial liabilities may be presented in an entity's statement of financial position as a single net amount, or as two gross amounts, differs depending on whether the entity reports using IFRSs or US GAAP.

The accounting differences result in the single largest quantitative difference in reported numbers in statements of financial position prepared in accordance with IFRSs or US GAAP. This reduces the comparability of financial statements, and is especially

prominent in the presentation of derivative assets and derivative liabilities by financial institutions. As a result, users and preparers of financial statements have asked the boards to find a common solution for offsetting those items. Proposing a common solution is also consistent with requests from the G20 and the Financial Stability Board (FSB).

The exposure draft *Offsetting Financial Assets and Financial Liabilities* is open for public comment until 28 April 2011 and can be accessed via the IASB and FASB websites.

IASB and FASB Propose Common Solution for Impairment Accounting

IASB and the FASB have published for public comment proposals for accounting for impairment of financial assets such as loans managed in an open portfolio.

At present, IFRSs and US GAAP account for credit losses using an incurred loss model, which requires evidence of a loss (known as a trigger event) before financial assets can be written down. The boards have proposed moving to an expected loss model that provides a more forward-looking approach to how credit losses are accounted for, which they believe better reflects the economics of lending decisions.

The proposals are published as a supplement to an exposure draft published by the IASB in November 2009, and a separate FASB exposure draft published in May 2010. Those exposure drafts outlined different methods to account for credit impairment. The supplementary document is open for public comment until 1 April 2011 and can be accessed via the IASB and FASB websites.

FBR Update

The FBR has issued vide S.R.O. 72(I) / 2011 dated January 26, 2011, draft amendment to Income Tax Rules regarding Active Taxpayers List (ATL), saying that the draft would be taken into consideration after fifteen days of its publication in the official Gazette.

According to that SRO, the FBR shall publish list of Active Taxpayers (ATL), that would include: e-filers of return of income/statement; e-filer of quarterly employer statement on deduction made; e-filer of quarterly withholding tax statement; employees who's annual income is Rs. 0.5 million or above; and

meet the criteria laid under Sales Tax, Federal Excise and Customs for including the taxpayers in the ATL.

The non-compliant taxpayers will be removed from the ATL through an automated system. The registration of the taxpayer removed from the ATL will be treated as suspended for the period of removal from ATL and such taxpayer shall not be treated as a registered person during the suspension period unless regularized through an order by the respective commissioner (Enforcement).

SECP UPDATE

Considering the re-composition of sectors by the Karachi Stock Exchange and availability of limited investment avenues for Shariah Compliant pension funds, the SECP has made following amendments vide Circular No. 3 dated January 20, 2010 in the Voluntary Pension System Rules, 2005 (the 'VPS Rules') with immediate effect.

1. Investment in securities issued by companies of anyone sector shall not exceed twenty five percent (25%) or the index weight, whichever is higher. subject to maximum of thirty percent (30%) of the net assets of a pension fund unless specified otherwise in the investment policy.
2. A pension fund manager may invest up to thirty percent (30%) or the index weight, whichever is higher, subject to maximum of thirty five (35%) of net assets of a Shariah compliant Equity sub-fund in equity securities of companies belonging to a single sector as classified by Karachi Stock Exchange.
3. The weighted average time to maturity of assets of a Money Market sub-fund shall not exceed ninety (90) days. except for assets of Shariah compliant Money Market sub-fund, where time to maturity may be upto one year.
4. Time to maturity of any security in the portfolio of Money Market sub-fund shall not exceed six (6) months, except in the case of Shariah compliant Money Market sub-fund, where the time to maturity of Shariah compliant Government securities such as Government Ijarah Sukuks may be upto three (3) years.

STUDENTS SECTION

Results of CA Final and IFRS Diploma Examinations

The results of CA Final and IFRS Diploma Examinations, Winter 2010, held in December 2010 was declared on January 31, 2011.

In the Winter 2010 session 219 students were declared successful in the CA Final Examination as compared to 190 students in the Summer 2010 session.

Gold Medals



Mr. Malik Azeem Maqbool (Roll No. 4061105) s/o Mr. Malik Maqbool Ahmed was awarded Osman Ali Gold Medal for his outstanding performance in the subject of "Business Finance Decisions" of CA Final Examination held in December 2010.



Syed Bilal Asghar (Roll No. 4050142) s/o Syed Asghar Ali was awarded J P Patel Memorial Gold Medal for his outstanding performance in the subject of "Management Accounting" of CA Final Examination held in December 2010.

The Institute is proud of the outstanding performers and wishes them success and luck for their future.

Disclosure of Marks

The Council of the Institute has decided that henceforth marks obtained would be disclosed in those subjects in which the examinee is unable to secure passing marks. Accordingly marks were disclosed in the result cards for the Final Examination - Winter 2010.

Pre-entry Proficiency Test March 2011

Pre-entry Proficiency Test will be held on March 12, 2011. Admit cards for the same would be sent to the students by March 2, 2011. Those candidates who do not receive their admit cards by March 5, 2011 may contact the following:

- 1) Mr. Aqueel Ahmed Farooqui,
Manager Examinations,
Phone: 021-99251634
- 2) Mr. Mansoor Mahmood,
Senior Examinations Officer,
Phone: 021-111000422 Ext. 370

Endowment Fund

The Endowment Forms for the May session will be available from 1st February 2011 to 31st March 2011. Students appearing in Module A can also apply.

For the revised criteria and the form please visit:
<http://www.icap.org.pk/web/links/0/studentsendowmentfund.php>

Students who have availed financial assistance in the immediate preceding session are not required to submit the following:

- Applicant's CNIC
- Father's or Guardian's CNIC
- B-Form
- SSC and HSC certificates
- Rental agreement (if there is no change in terms)

Please note that in order for smooth operation late and incomplete forms will not be entertained.

ICASL Invites CASA students

The Institute of Chartered Accountants of Sri Lanka (ICASL) has invited three students of ICAP to visit Sri Lanka under the SAFA Student Exchange Program from 6th April to 8th April 2011. During the visit, the students will have first hand exposure on the

functioning of reputed Chartered Accountants firms/ industries in Sri Lanka and will also interact with their counterparts at ICASL. The visit is scheduled to start with the Silver Jubilee "CA Students' Conference" on the theme "Renaissance" on 06th April 2011 at Hotel Galadari, Colombo. Travelling costs will be borne by students themselves and all expenses during stay in Sri Lanka will be borne by ICASL.

CASA-N Election 2011



Chartered Accountants Students Association – North (CASA-N) conducted elections for the year 2011 on 30th December 2010. Out of the eleven candidates, four were elected through voting. CASA-N committee further nominated the elected members as Mr. Muhammad Mohsin, Secretary CASA-N, Mr. Muhammad Awais Zafar, Treasurer CASA-N, Mr. Muhammad Musa Raza and Mr. Saad Munir, as Student Member CASA-N respectively.

CASA Plans for the Golden Jubilee

The Managing Committee of CASA met on 11 Jan 2011 to discuss and approve the activity calendar for 2011. The meeting was attended by Chairman, Mr. Khalilullah Shaikh and elected members of the Managing Committee. Head of Sports Committee, Mr. Tanseer Shar also attended the meeting. The committee decided to actively participate in the Golden Jubilee celebrations. A full activity plan was approved in the meeting which will be disclosed officially in due course.

CA Foundation and Intermediate Examinations Spring 2011

CA Foundation and Intermediate Examinations Spring 2011 will be held from March 7 – 14, 2011 as per following schedule:

Morning Session: from 9:00 am to 12:00 noon

Day	Date	Module	Subject
Monday	07.03.2011	D	Auditing
Tuesday	08.03.2011	C	Business Communication & Behavioural Studies
Wednesday	09.03.2011	D	Company Law
Thursday	10.03.2011	C	Financial Accounting
Friday	11.03.2011	D	Cost Accounting
Saturday	12.03.2011	C	Taxation
Monday	14.03.2011	D	Information Technology (from 9:00 am to 10:45 am)

Afternoon Session: from 2:00 pm to 5:00 pm (Friday from 2:30 pm to 5:30 pm)

Day	Date	Module	Subject
Monday	07.03.2011	B	Mercantile Law
Tuesday	08.03.2011	A	Quantitative Methods
Wednesday	09.03.2011	B	Introduction to Economics and Finance
Thursday	10.03.2011	A	Functional English
Friday	11.03.2011	B	Introduction to Financial Accounting

Admit cards for the CA Foundation and Intermediate Examinations Spring 2011 would be sent to the students by February 25, 2011. Those candidates who do not receive their admit cards by March 1, 2011 may contact the following:

- 1) Mr. Aqueel Ahmed Farooqui, Manager Examinations, Phone: 021-99251634
- 2) Mr. Tahir Aziz, Deputy Manager Examinations, Phone: 021-111000422 Ext. 321
- 3) Mr. Rahil Ahmed/Ms. Samina Iftikhar, Assistant Manager Examinations, Ext. 312/364

Held & Planned	Continuing Professional Development (CPD) Programme		
Date	SEMINAR / WORKSHOP	Speaker / Session Chairman	VENUE
Jan 12, 2011	Understanding of Connection Between US Dollars, Gold & Crude Oil	Bilal Illahi	Lahore
Jan 20, 2011	Professional Ethics in Practice - Alarming Trend	Masoud Ali Khan	Karachi
Jan 28, 2011	The Role of Chartered Accountants in Building Successful Organizations	Ahmad Saleem	Lahore
Feb 11, 2011	Contributory Pension Schemes	Muhammad Afzal, M. Habib ur Rahman Junaid Khalid	Islamabad
Feb 15, 2011	Inflation	Abdulwahid	Multan
Feb 15, 2011	Higher Studies in Commerce	Abdulwahid	Multan
Feb 24, 2011	Risk Management & Basel II-Deriving Value Beyond Compliance	Syed Faraz Anwer	Karachi