



**The Institute of  
Chartered Accountants  
of Pakistan**

**CA  
PAKISTAN**

www.icap.org.pk

Volume 41 Issue 7 | July 2018

# Newsletter

Governance, Transparency and Service to Members and Students

## contents



### meets & events

Seminar on Fraud Investigation	3
Workshop on Stress Management	4
ICAP's Coffee Table History Presented to President Chartered Accountants Australia & New Zealand	5
ICAP's Coffee Table History Presented to Consul General of Pakistan in Sydney	5
ICAP Delegate Visit Pakistan Business Professional Council Abu Dhabi	6
Iftar Dinner of Qatar Chapter	6
Bahrain Chapter Family Camping	7
Canada Chapter Iftar Dinner	8
CA Webcast 2018 Live Session on Facebook for Students of A-Level & HSSC	9
Seminar on Zakat	10
Trainee Induction Fair	10
ICAP Director's Training Program 2018	12
CPD – The Key to Unlock Your Potential	12
CA Toastmasters Club Karachi, Lahore & Islamabad	13
<b>member news</b>	18
<b>technical update</b>	21
Update: Local Regulatory Framework	21
Update: International	24
Update: Tax	24
<b>hr news</b>	28
<b>student section</b>	29
<b>feedback</b>	29
<b>bubbles &amp; briefs</b>	30
<b>meet of the month</b>	32
Mother's Day	32
Why do we celebrate Mother's Day?	32



## meets & events

### Seminar on Post Budget 2018-19 Islamabad



The Federal Budget 2018-19 was announced on April 27, 2018. A budgetary process that functions well is crucial in development of sustainable fiscal policies and economic growth. Each budget do has some good initiatives and areas on which critics can debate on regarding rationale of fiscal measures that are introduced or which should have been introduced. In quest for excellence, The Institute of Chartered Accountants of Pakistan (ICAP) feels that the knowledge of its members and stakeholders should be kept updated with emerging laws, trends and practices.

In this regard, the Continuing Professional Development (CPD) Committee Islamabad/Rawalpindi organised a **Post Budget Seminar 2018-19** on May 2, 2018 at Marriott Hotel, Islamabad to discuss and deliberate on the possible consequences of the 2018-19 budget. The session started with the welcome note by JehanZeb Amin, secretary Northern Regional Committee (NRC) and chairman CPD Committee Islamabad/Rawalpindi.

The seminar was graced by Tariq Mahmood Pasha, chairman Federal Board of Revenue (FBR). The speakers were Asim Zulfiqar Ali, country leader Tax and Legal Services and partner A. F. Ferguson & Co. and Muhammad Awais, partner EY Ford Rhodes and Council member ICAP.

The presentations were interactive. The first speaker, Asim Zulfiqar Ali, discussed about Indirect Taxes. His focused area was Finance Bill 2018,



amendments proposed in Sales Tax and Federal Excise Duty (FED) and Revamping of Alternative Dispute Resolution (ADR) Mechanism. The second speaker, Muhammad Awais, discussed about Direct Taxes. His focused area was reduction in tax rates, Super Tax and tax on undistributed profits, restriction on purchase of certain assets, unexplained foreign income or assets, foreign income and asset statements, bonus shares and advance tax on foreign payments.

Tariq Mahmood Pasha was also requested to give brief presentations on budget proposals and related experiences. He emphasised the need for preparation of a balanced budget, and urged upon the balance between tax collection and tax payers' facilitation. Ashfaq Yousuf Tola, Council member ICAP and

chairman ICAP Committee on Fiscal Laws, discussed about taxpayers' facilitation, issues of Sales Tax and FED, group taxation benefits – exemption from tax deduction, minimum tax on services and concept of group taxation under Sales Tax.

The session was informative and appreciated by the participants who raised various questions to the panel of speakers.

The seminar was attended by ICAP members and non-members. At the end, Mukhtar Hussain Jaffery, chairman CPD committee along with ICAP Council members Ashfaq Yousuf Tola, Jafar Husain, VP-North, presented mementos to the speakers. To conclude the seminar, Jafar Husain extended the vote of thanks. The seminar was followed by dinner.

## Seminar on Fraud Investigation



The Southern Regional Committee (SRC) of The Institute of Chartered Accountants of Pakistan (ICAP) organised a seminar on **Fraud Investigation** on Friday, May 11, 2018 at ICAP House, Karachi. The seminar was attended by around 120 participants, both members and non-members.

The first speaker was Muhammad Talha, partner and head of Forensics, KPMG Taseer Hadi & Co., who gave a crisp presentation on the Overview of fraud investigation and its impact in Pakistan's perspective. The second presentation was given by Zeeshan

Shahid, partner Deloitte Yousuf Adil, on Fraud investigation - practical approach and challenges.

To discuss multiple facets of the practice and myths and realities associated with it, a panel discussion took place in which Asad Ali Shah, senior partner Deloitte Yousuf Adil, Amir Jamil Abbasi, senior partner KPMG Taseer Hadi & Co., Mehmood Mandviwalla, founder and managing partner Mandviwalla & Zafar Advocates and Tahir Sharif, partner A. F. Ferguson & Co. participated. The session was moderated by Shariq Zaidi, partner EY Ford Rhodes. The panel discussion



was highly engaging and the participants asked numerous questions which led to further discussion amongst the panellists.

Towards the end of the seminar, mementos were presented to the speakers, panellists and the moderator as a gesture of appreciation.

## Workshop on Stress Management



The Southern Regional Committee (SRC) of The Institute of Chartered Accountants of Pakistan (ICAP) organised a day long workshop on **Stress Management** on May 14, 2018 at the Movenpick Hotel, Karachi.

Trainer and consultant Carnelian Co., Ali Syed, conducted the workshop. The workshop was well-received and was attended by 12 participants.



## ICAP's Coffee Table History

### Presented to President Chartered Accountants Australia & New Zealand

Representatives of the Australia Management Committee of The Institute of Chartered Accountants of Pakistan (ICAP) members Farrukh Khan and Iqbal Naeem on behalf of the committee along with the consul general of Pakistan in Sydney, Abdul Majid Yousfani, met with Jane Stanton, president Chartered Accountants Australia and New Zealand (CA ANZ) to present ICAP's **Coffee Table History: Decades of Excellence** on May 30, 2018.



The delegation was warmly received by CA ANZ team which beside Jane Stanton was presented by president CA ANZ, Adelle Evans, GM member Growth, Simon Grant, head of members, Navini Peiris, manager Asia Liaison member Growth.

The participants showed their satisfaction over the success of the inaugural of International Pathway Program which is getting international attention. The Canadian Institute has contacted CA ANZ for details of the program.

Abdul Majid Yousfani, on the invitation of the Australian Management Committee, presented ICAP's **Coffee Table History: Decades of Excellence** to the president of CA ANZ.

CA ANZ team also presented Australia Management Committee with the mascot of their upcoming World Congress of Accountants which will be organised by CA ANZ in Sydney from November 5-8, 2018.

## ICAP's Coffee Table History

### Presented to Consul General of Pakistan in Sydney



Representatives of the Australia Management Committee of The Institute of Chartered Accountants of Pakistan (ICAP) members Farrukh Khan and Iqbal Naeem on behalf of the committee visited the consul general of Pakistan in Sydney, Abdul Majid Yousfani, and presented him with ICAP's **Coffee Table History: Decades of Excellence** on May 30, 2018.

On the occasion, Farrukh Khan informed the consul general about the development on formation of Australian chapter of ICAP members and the success of ICAP members in the recently concluded International Pathway Program. Majid showed great interest in the activities of ICAP members and wished success for the chapter. He extended his full support for the activities of the chapter.

## ICAP Delegate Visit Pakistan Business Professional Council Abu Dhabi



The Institute of Chartered Accountants of Pakistan (ICAP) Council members Farrukh Rahman, VP-South, Khalid Rahman, chairman Overseas Coordination Committee (OCC) and Abdul Malik chief operating officer and secretary visited the office of Pakistan Business Professional Council (Abu Dhabi) on April 28, 2018. The

event was hosted by ICAP members in Abu Dhabi and Dr. A. Hadi Shahid, partner Alliott Hadi Shahid Chartered Accountants. The purpose of the meeting was to discuss the issues faced by ICAP members in Abu Dhabi and the role of Managing Committee of UAE chapter of ICAP members.

## Iftar Dinner of Qatar Chapter



Qatar Chapter of The Institute of Chartered Accountants of Pakistan (ICAP) members arranged an **Iftar Get Together** for ICAP members in Qatar on

June 4, 2018. This was the first get together following the election of the new managing committee, which provided the members an opportunity to meet the

new committee and also other members after a long break.

Ejaz Ahmad Pirwani, chairman of the Qatar Chapter Managing Committee, thanked the members for taking time out from their busy schedules to make the event successful. He introduced the new committee members and also thanked the outgoing members.

Ejaz also informed the members about latest developments and the outcome of Committee's

communication with ICAP and highlighted the chapter's strategy to cope up with Continuing Professional Development (CPD) requirements of members. He vowed to carry on the good work of the previous committee, particularly towards registration of the chapter.

The event ended with a candid photo session and a concluding note by Ejaz Ahmad Pirwani on behalf of managing committee endorsing the need to have similar events in future.

## Bahrain Chapter Family Camping



The Managing Committee of Bahrain Chapter of The Institute of Chartered Accountants of Pakistan (ICAP) members hosted a **Family Camping** event at Sakheer campsite. The camping event received participation by over 50 members who enjoyed live barbecue, bonfire, football, volleyball and various outdoor activities for children. The chairman of the Chapter Arshad Gadit welcomed the members at the campsite. A raffle was held towards the end of the event in which the winners received prizes from Gadit.

This was the fourth successful event organised by the managing committee since it assumed office on July 1, 2017. The past events included cricket tournament, Value Added Tax (VAT) seminar and Institute of Chartered Accountants in England and Wales (ICAEW) Pathways to Membership seminar that were held during September, November and December 2017 respectively. Some of the upcoming future events for financial year 2017-18 on the management committee's agenda include an Eid Milan and IFRS update seminar.

## Canada Chapter Iftar Dinner



The Managing Committee of the Canada Chapter of The Institute of Chartered Accountants of Pakistan (ICAP) members organised its annual **Iftar Dinner** for members and their families and friends on May 18, 2018 at Sagan Convention Centre & Banquet Hall, Mississauga. The Iftar dinner was attended by around 185 people. The chapter holds and subsidises this event every year and is very well-received among the members and their families. The event offered an opportunity for members and their families to come together, network and spend time with each other during the holy month of Ramzan, especially for new comers to Canada who need a lot of support in settling down in a new country.



## CA Webcast 2018

### Live Session on Facebook for Students of A-Level & HSSC

The Institute of Chartered Accountants of Pakistan (ICAP), under an initiative by the Marketing and Communication department (MARCOM), organised its first ever **CA Webcast 2018, Live Session on Facebook** on June 26, 2018 at ICAP House, Karachi. This year, MARCOM has come up with a series of webcasts from June to September 2018 to facilitate aspiring chartered accountants seeking a platform to gain more information about the program. The objective of this session was to educate the younger generation about the numerous benefits of CA qualification and how they can pursue it as a career.

The session panellists were executive director Education and Training (E&T) Tariq Kaleem, senior director Omair Jamal and deputy director Training & Student Affairs ICAP Salman Abbasi. The session was moderated by Amber Anwar, assistant manager E&T.

The session was conducted with the aim to provide basic knowledge to the students of A-Level and Higher Secondary School Certificate (HSSC) along with undergraduates. The qualification of CA has always

been one of the most prestigious qualifications that one can opt for, which allows not only personal and professional growth but also to move beyond horizons and attain the highest level of achievement and progress in an organisation. Many of the chartered accountants become the CFOs, CMOs, or CEOs of their respective organisations.

The session highlighted the benefits of CA as a career path along with the rigorous training programs that tests the students to the best of their ability, while at the same time prepares them for the professional world. The response from the target audience was positive, there were many queries from aspiring students wanting to know more about the program and how they can opt for it.

Audience receptiveness to a session which allowed them to access not only this information from their homes, but also to consider CA as a prospective career shows the eagerness of most to gain information. More sessions will be planned in the coming weeks, all addressing different aspects of CA, whereby, allowing students to learn more about the CA profession.



## Seminar on Zakat

The literal meaning of Zakat is 'to cleanse' or 'purification' and is mandatory levy upon a *sahib-e-nisab* (to threshold after which a person is obliged to pay Zakah). When it comes to paying Zakat, there are different facts that need due consideration including, but not restricted to, matters such as when to pay Zakat, who is eligible for Zakat, types of Zakat, calculation of Zakat, etc. Keeping the significance of the subject matter and the coincidence of Ramzan, the Continuing Professional Development (CPD) Committee Islamabad/Rawalpindi of The Institute of Chartered Accountants of Pakistan (ICAP), organised a seminar on **Zakat** on May 15, 2018 at ICAP House, Islamabad.

The session started with the welcome note by JehanZeb Amin, secretary Northern Regional Committee (NRC) and chairman CPD Committee Islamabad/Rawalpindi. The speaker was Imran J. Aziz, president and founder Darululoom Pakistan. He is qualified for Dastar-e-Fazeelat and has also obtained Ijazah-in-Uloom-e-Deen and Sharia from Darul-Uloom, Karachi. He founded Darul-Uloom Pakistan and a subsidiary non-profit schooling organisation Madina Islamic School. As a founding member, he is



busy in organising a team of scholars and qualified professional teachers of excellence. Besides extensive religious knowledge and qualifications, he has also pursued contemporary studies and is a commerce graduate and a PHP developer certificate holder and is also pursuing Masters in Public Administration (MPA). Further, he also pursued articleship for chartered accountancy before deciding to pursue religious education.

The session was very informative and appreciated by the participants who raised various questions to the speaker. At the end, Waseem Ahmad Siddiqi, member ICAP, presented memento to the worthy speaker. The seminar was followed by dinner.

## Trainee Induction Fair



The Institute of Chartered Accountants of Pakistan (ICAP) organised **Trainee Induction Fair 2018** on May 23, 2018 at ICAP House, Lahore. The purpose of the fair was to provide a platform to Certificate in Accounting and Finance (CAF) qualified students and Training Organisations inside Practices (TOiPs)/Training Organisations outside Practices (TOoPs) to interact with each other. The event also provided an opportunity for firms to setup their stalls and guide students regarding induction process at their firm.

Council members ICAP M. Ali Latif and Iftikhar Taj, were the chief guest and guest of honour, respectively. Mansoor Ziagham, group head central Accounts and Taxation Allied Bank Limited (ABL) and Abdullah Sarwar, manager Assurance E&Y Ford Rhodes, were keynote speakers of the event.

The event started with recitation from the holy Quran followed by the national anthem. Afterwards,



representatives of different firms gave presentations and guided students on their induction processes. They shared brief introductions and training facilities available at their respective firms.

M. Ali Latif guided the students how to proceed during this pivotal career transition and gave some tips on resume development and how to carry oneself during an interview. He emphasised that the students should avail the training opportunities without wasting their valuable time. He also said TOoP is a good option for those students who want to pursue their career in industry. Mansoor Zaigham talked about work culture at ABL, rotation in different departments and professional attire. He said that ABL focuses on professional development right from the start of the training. Abdullah Sarwar also shared some of his experiences and interview tips with the students. He said there is no point in waiting endlessly in pursuit of training in large firms, and that students should join Small and Medium

Practices (SMPs) and qualify as soon as possible. Ali Saif Cheema, president Chartered Accountants Students' Association (CASA), also shared his views with the students and assured them all possible support during their training.

Razi Khan, executive director Operations-North ICAP, in his concluding remarks appreciated the staff for organising the event. He thanked the chief guest, guest of honour and keynote speakers for their participation in making the event successful. He advised the young CAF qualified students that time is money, spend it carefully and make every moment counted.

Over 160 students attended the fair. Three training organisations presented their brief profiles and 24 training organisations including three TOoPs set up their stalls at the fair. Students, training organisations and members appreciated ICAP for arranging such helpful events.



# HOW TO EARN CPD HOURS?

A QUICK WALKTHROUGH FOR CA MEMBERS!

**1 PARTICIPATE IN SHORT COURSES, TRAININGS, SEMINARS, CONFERENCES & LECTURES**

- Full Day Session
- Half Day Session

**2 COMPLETE DEGREE COURSES & PROFESSIONAL CERTIFICATIONS**

- 1/3 of actual contact hours - Max 40 Hours/year
- 5 x examination hours OR 40 hours - whichever is lower

**3 PUBLISHED RESEARCH PAPER/ARTICLE (AT LEAST 4000 WORDS)**

Max 24 hours/year

**4 CONTRIBUTING ARTICLE/RESEARCH PAPER IN LOCAL/INTERNATIONAL PUBLICATIONS**

Max 8 hours/year

**5 REGISTERED E-LEARNING COURSES**

Actual time

**6 PRESENTER/PARTICIPANT IN SHORT COURSES, SEMINARS, CONFERENCES, TRAININGS & INTERVIEWS**

2 x Actual time

**7 TEACHING PROFESSIONAL OR DEGREE COURSES**

Half of actual time

**8 PARTICIPATION IN COUNCIL, COMMITTEES, WORKING GROUPS OF ICAP/OTHER REGULATORY BODIES**

1 hour/page max 40 per release

**9 WRITING OF BOOKS ON PROFESSIONAL INTEREST, TECHNICAL & REFERENCE MANUALS INCLUDING STUDY PACKS**

1 helping max 40 per release

**10 WATCHING VIDEOS/CDS OF ICAP CPD PROGRAMS**

Half of actual time

**11 GENERAL/SELF-CERTIFIED READINGS E.G. JOURNAL ARTICLES, NEWSPAPER, REPORTS, SUBSCRIPTIONS**

Actual time 2 (minimum 10 pages)

**12 VISIT ICAP LIBRARIES**

Actual time

**13 ON JOB LEARNING**

Half of actual time (Max 40 hours/year)

## ICAP Director's Training Program 2018

The Institute of Chartered Accountants of Pakistan (ICAP) launched the Directors' Training Program (DTP) in January 2013 and since then 631 business professionals have been certified in 35 programs held across the country. The last program for the fiscal year 2017-18 was scheduled in June 2018 at Karachi. The four-day certification accredited by Securities and Exchange Commission of Pakistan (SECP) is directly linked with the Listed Companies (Code of Corporate Governance) Regulations.

ICAP DTP is an amalgamation of theoretical knowledge, application of skills and exercising value added judgement. ICAP's training approach is enabling learning through experience and interactions with peers through moderated group discussions and role plays.

In order to ensure the members don't miss out on the DTP happening around their city, please lock the dates in your calendars now.

DTP No.	Dates*	Session	Location
DTP 37	September 4-5, 2018	Session One	Lahore
DTP 37	September 11-12, 2018	Session Two	Lahore
DTP 38	October 10-11, 2018	Session One	Karachi
DTP 38	October 23-24, 2018	Session Two	Karachi
DTP 39	November 6-7, 2018	Session One	Islamabad
DTP 39	November 20-21, 2018	Session Two	Islamabad
DTP 40	December 4-5, 2018	Session One	Faisalabad
DTP 40	December 18-19, 2018	Session Two	Faisalabad

\*The dates may be subject to change.

### Others Programs that ICAP CPD offers:

- Client specific DTP exclusively for companies that want to conduct in-house DTP for their board of directors.
- Director's orientation and training program for public sector organisations operating under the PSC Rules 2013.

To forward your request, email us at [dtp@icap.org.pk](mailto:dtp@icap.org.pk) or [zehra.hassan@icap.org.pk](mailto:zehra.hassan@icap.org.pk). For other details, visit ICAP website [www.icap.org.pk/dtp](http://www.icap.org.pk/dtp). Members can also find the Facebook page @directorstrainingprogram and LinkedIn group ICAP Certified Directors.

## CPD – The Key to Unlock Your Potential

Commitment to continuously improve and develop is a philosophy that The Institute of Chartered Accountants of Pakistan (ICAP) members truly abide by. To avail the CPD hours, the Continuing Professional Development (CPD) directive provide various engaging activities such as attending board meetings, on job learning, pursuing further education, writing articles, reading up, attending conferences, seminars, trainings and many other avenues of professional development.

ICAP members are already pursuing the philosophy of CPD and it is merely just reporting the CPD activities for this, members may logon to Member Portal and update their CPD hours or write at [cpd@icap.org.pk](mailto:cpd@icap.org.pk) for support.

The three year rolling period 2015-18 is ending on June 30, 2018 following which members need to fill the Annual Declaration Form and the Commitment Form in case of shortfall of the required CPD hours. For details, visit <http://cpd.icap.org.pk>

## CA Toastmasters Club Karachi

The CA Toastmasters Club Karachi conducted its 31st regular meeting on May 3, 2018 with the theme 'Surprise.' The meeting was called to order by the Sergeant at Arms, TM Arsalan Sattar, who handed over the control to presiding officer, TM Rashid Dastagir. TM Rashid shared his views on the theme of the meeting and asked members and guests to introduce themselves. Thereafter the charge was handed over to the Toastmaster of the evening, TM Arsalan Sattar, who led the following proceedings.

The first session was of prepared speeches. There were four Prepared Speakers. The first speaker, TM Majid Akhtar, delivered his second project 'Organise your speech' with the topic 'Anti-money laundering/ Countering financing of terrorism,' the second speaker, TM Saqib, delivered his sixth project 'Vocal variety,' with the topic 'Feed the Beast,' the third speaker, TM Murtaza, delivered his ninth project 'Persuade with power' with the topic 'What will people say,' and the fourth speaker, TM Shaarif, delivered his second project 'Organise your speech,' with the topic 'Feminism.'

TM Moiz was the Table Topic master who conducted inspiring Table Topic session in which he gave

## THE SCIENCE OF PEP TALKS



The ability to deliver an energising pep talk is a prerequisite for any business leader. But few managers receive formal training in how to give one. Instead, they learn mostly by emulating inspirational bosses, coaches, or even fictional characters.

However, research shows there is a science to psyching people up for better performance. According to motivation language theory, most winning formulas include three key elements: direction giving, or describing precisely how to do the task at hand; expressions of empathy, or concern for the performer; and meaning-making language, which explains why the task is important.

All the evidence suggests that, once leaders understand these three elements, they can learn to use them more skilfully.

Source: HBR

different topics to the participants related to theme of the meeting like 'The best business idea, you would love to invest in,' 'Who gossips more: men or women,' 'How to become social media star,' etc. TM Hassan Thebo was the general evaluator. All the evaluators stressed on the importance of the Toastmasters and gave valuable recommendations for improvement in public speaking and leadership skills.

The awards were won by: **Best Table Topic Speaker:** TM Saima Shahzad; **Best Prepared Speaker:** TM Shaarif Khan and **Best of Big 4:** TM Hassan Thebo.



CA  
PAKISTAN



## CA TOASTMASTERS CLUB KARACHI

CLUB # 5976218

EXECUTIVE COMMITTEE 2018-2019

WHERE **LEADERS** ARE MADE



**Rashid Dastagir, FCA, CC, CL**  
President  
Chief Financial Officer  
Century Paper & Board Mills Limited



**M. Zaid Kaliya, FCA, CC, ALS**  
Immediate Past President  
Chief Financial Officer  
Shield Corporation Limited



**Muhammad Tayyab, ACA**  
Vice President - Education  
Proprietor  
Tayyab & Co., Chartered Accountants



**Arsalan Sattar, ACA**  
Vice President - Membership  
Manager Accounts  
Pakistan Cables Limited



**Fahad Ahmed Hashmi**  
Vice President - Public Relations  
PCSC Trainer and Faculty Member  
Tabanis School of Accountancy



**Safina Shahid**  
Secretary  
Senior Manager - Internal Audit  
Habib Bank Limited



**Fayyaz Sattar, ACA**  
Treasurer  
Manager - Audit  
A. F. Ferguson & Co., Chartered Accountants



**Waqar Manzoor, ACA**  
Sergeant at Arms  
Manager Internal Audit  
Lucky Cement Limited



111-000-422



[www.icap.org.pk](http://www.icap.org.pk)



ICAPCA

## CA Toastmasters Club Lahore



From L: TM Mustafa A. Khan and TM Waseem Iqbal in 141 meeting.



From L to R: TM Anayat Ullah in meeting 141; contestants sharing their agenda before the voting.



Contestants sharing their agenda before the voting.



Members on the election day; vote counting in process.

The CA Toastmasters Club Lahore conducted its elections in May for the club's Executive Committee 2018-19. Thirteen club members participated in the elections for seven Executive Committee posts. Members of the club attended the meeting to support and vote for their candidates. The club elected the following Executive Committee for the term 2018-19:

President: Mustafa Ahmed Khan; vice president Education: Ghulam Abbas; vice president Membership:



Club members in Meeting No. 140.



Club members in Meeting No. 141.



Club Executive Committee 2018-19.

Muhammad Asim; vice president Public Relations: Anayat Ullah Khan; treasurer: Waseem Iqbal; secretary: Latif Ahmed Saqi; Sergeant at Arms: Adeel Mumtaz; immediate past president: ex-officio Zunair Zafar.

The new Executive Committee comprises four members from the previous Executive Committee and four new members. The new committee will take charge from July 2018.

141st meeting of the club was held on May 23, 2018. TM Fahad Pervaiz acted as Toastmaster of the meeting. TM Zahid Ahmed delivered his second Prepared Speech project CC2 on 'Corruption.' TM Muhammad Irshadullah delivered his second Prepared Speech project CC2 on 'Water.' TM Anayat Ullah Khan delivered his fifth Prepared Speech project CC5 on 'The Innocents.' TM Zunair Zafar delivered his advanced speech project ACG6 from Persuasive Speech Manual on the title 'A Cold Call.' TM Shoaib Ahmed Waseem delivered his advanced speech project ACG9 from Speeches by Management Manual on the title 'Delivering bad

news.' The Table Topic session was conducted by DTM Iftikhar Taj. The general evaluator for the meeting was DTM Shahid Jamal Kazi. TM Anayat Ullah Khan was voted as the **Best Prepared Speaker**. TM Waseem Iqbal was voted the **Best Table Topic Speaker** and TM Mustafa Ahmed Khan was voted **Best Speech Evaluator**.

Regular meetings are held on alternate Wednesdays and guests are always welcome. Meetings in July will be held on July 4 and 18, 2018 at ICAP House, Lahore.

## CA Toastmasters Club Islamabad

The CA Toastmasters Club Islamabad conducted three phenomenal meetings during May 2018. Meeting No. 43, dated May 3, 2018 was themed 'Actions speak louder than words' and the word of the day was 'Apathy' meaning 'lack of interest or concern, indifference, passivity'. The meeting was called to order by the Sergeant at Arms, TM Hassan Nawaz, who handed over the control to presiding officer, TM Faisal Shuja. TM Faisal shared his views on the theme of the meeting, asked guests for introductions and transferred the control to TM Xara Tareen as Toastmaster of the evening.

TM Zeeshan Saif conducted an entertaining Table Topic session which was followed by a Prepared Speech session. TM Shamam Khan delivered her second project 'Organise a speech' from the Competent Communication Manual. TM Mudassar Ghulam Nabi delivered his tenth project 'Inspire the audience' from the Competent Communication Manual and TM Malik Muhammad Omair delivered his third project from Story Telling Manual.

TM Mahnoor Umar was the general evaluator, wherein she stressed on the importance of the Toastmasters and gave valuable recommendations for improvement in public speaking and leadership skills. The awards for best performance were won by: **Best Table Topic Speaker:** TM Aneel Peter; **Best Prepared Speaker:** TM Malik Muhammad Omair; **Best Evaluator:** TM Faisal Shuja; and **Best of Big 3:** TM Xara Tareen.

Meeting No. 44, dated May 17th, 2018 was a special meeting in which the club conducted election for the Executive Committee of the Club. The meeting was themed 'Change is the only constant in life' and the word of the day was 'Lament' meaning 'to express sadness and feeling sorry about something.'



From L to R: TM Malik M. Omair; TM Mustafa Javed; TM M Adeel and TM Aneel Peter.



Club members in Meeting No. 44



From L to R: TM Aneel Peter; TM M. Adeel and TM Xara Tareen



Club Members in Meeting No. 45

The meeting was called to order by the Sergeant at Arms, TM Hassan Nawaz, who handed over the control to presiding officer, TM Faisal Shuja. TM Faisal shared his views on the theme of the meeting, asked guests for introductions and transferred the control to TM Muhammad Khizar as Toastmaster of the evening.

TM Shahid Saud conducted an entertaining Table Topic session which was followed by a Prepared Speech session. TM Muhammad Adeel delivered his

third project from the Competent Communication Manual. TM Aneel Peter delivered his eighth project from the Competent Communication Manual.

Speeches were followed by the special election session conducted by TM Faisal. Nomination Committee, headed by founding president Toastmaster JehanZeb Amin and assisted by Toastmaster Shamam Khan and current president TM Faisal Shuja, had earlier nominated suitable members for the Executive Committee and the members selected nominees for respective positions in the Executive Committee.

TM Mustafa Javed was the general evaluator, wherein he stressed on the importance of the Toastmasters and gave valuable recommendations for the improvement in public speaking and leadership skills. The awards for best performance were won by: **Best Table Topic Speaker:** TM Aneel Peter; **Best Prepared Speaker:** TM Muhammad Adeel; **Best Evaluator:** TM Malik Muhammad Omair; and **Best of Big 3:** TM Mustafa Javed.

Meeting No. 45, dated May 31, 2018 was themed 'Health is wealth' and the word of the day was 'Veracity' meaning 'truthfulness, accuracy, authenticity, correctness.' The meeting was called to order by the Sergeant at Arms, TM Hassan Nawaz, who handed over the control to acting presiding officer, TM Mudassar Ghulam Nabi. TM Mudassar shared his views on the theme of the meeting, asked guests for introductions and transferred the control to TM Zeeshan Saif as Toastmaster of the evening.

TM Jawad Ali conducted an entertaining Table Topic session which was followed by a Prepared Speech session. TM Muhammad Adeel and TM Xara Tareen delivered their respective projects from the Competent Communication Manual. TM Malik Muhammad Omair delivered his fifth project from the Story Telling Manual.

TM Aneel Peter was the general evaluator, wherein he stressed on the importance of the Toastmasters and gave valuable recommendations for improvement in public speaking and leadership skills. The awards for best performance were won by: **Best Table Topic Speaker:** TM Xara Tareen; **Best Prepared Speaker:** TM Muhammad Adeel; **Best Evaluator:** TM Aneel Peter; and **Best of Big 3:** TM Aneel Peter.

*Watch Out  
for the Next Issue of*

The Pakistan  
**accountant**

*Discourse is  
Debate NOW*



*Read ICAP Members  
DEBATE on*

*Rebranding: Smart Move  
or Waste of Money?*

*Stay tuned to other  
changes in Pakistan's  
largest circulated  
professional journal*



The Institute of  
Chartered Accountants  
of Pakistan



CA  
PAKISTAN

Publication Department

The Institute of Chartered Accountants of Pakistan

 member news

## CFO of the Future: Looking Beyond Numbers

As the Chief Financial Officer (CFO) role has expanded, so, too, has the value of a top-notch finance chief. Today's CFOs have more insight and responsibility and a role in setting an organisation's strategy. To keep up with the rapid pace, CFOs must ensure that they are developing Emotional Intelligence (EI). EI is defined by Steve Robbins, Diversity, Inclusion & Cultural Competency expert as, "A toolbox of competencies that contribute to the successful achievement of goals in an emotional context." Following are six ways for CFOs to implement EI at the organisation:

- 1. Build on the basics:** CFOs must step out of their traditional comfort zone and become more outgoing, able to relate to people and be able to see the big picture and beyond.
- 2. Have your strong rapport with advisors:** A CFO should have a solid team of top advisors and be in regular communication with them and not just to talk numbers. Having a strong relationship with your team is critical. Don't try to solve the puzzle alone.
- 3. Ask non-finance questions:** Ask questions to get to numbers' root cause. Get information from the sales team, IT, the president, CEO, and the customers.
- 4. Embrace differences:** Having a variety of skillset and personalities is healthy for a company. Change things up. Spreading out and sharing more information throughout the company creates more opportunity for change and opportunity.
- 5. Shake up the internal reporting tree:** A shake-up of an internal reporting tree will help a CFO better understand people with different thought process. Attributes associated with EI are needed to do so.
- 6. Be a master of communication:** CFOs must be strong and comfortable communicators, both verbal and written, to internal and external groups. A CFO can be a strong brand ambassador, knows the company's elevator pitch. Tell the story the way it's supposed to be told – honestly, with encouragement and no embellishments.

Source: fm-magazine.com

## Top 5 CPD Earners

The Institute is pleased to acknowledge the following members who have earned maximum CPD hours in May 2018:

S. No.	Name and R-No.	Location	Hours
1.	Aly Zainul Abedin, ACA (8540)	Karachi	199
2.	Jackson Wilson, ACA (6224)	Karachi	198
3.	Syed Farrukh Raza, FCA (4252)	Lahore	128
4.	Beerbal Mal, ACA (9378)	Karachi	115
5.	Syed Muhammad Ali, FCA (5056)	Karachi	104

## New Fellow/Associate Members

### Fellow Members

S. No.	R-No.	Name
1.	5227	Shakeel Ahmad
2.	5232	Asif Mubeen
3.	5249	Raheel Ahmad Qureshi
4.	5268	Umair Murtaza
5.	7119	Syed Muhammad Hassan Ali

### Associate Members

1.	9462	Osama Bin Ali
2.	9609	Waheed Uz Zaman
3.	9610	Ali Messum
4.	9611	Zeeshan Ahmed Ramzani
5.	9612	Abdullah Hamid
6.	9613	Muhammad Atif
7.	9614	Muhammad Owais Khan
8.	9615	Syed Muhammad Haider
9.	9616	Abdullah Munir
10.	9617	Muhammad Ahsan
11.	9618	Hassan Shabbir
12.	9619	Rida Fatima Haider Ali
13.	9620	Hafiz Shahrooz Fayyaz
14.	9621	Muhammad Hasnain Hirji
15.	9622	Muhammad Waqas Umer

## New Firm

S. No.	Name of Firm	Location
1.	Anwar Khan & Co.	Karachi

Dear Members

The annual fee demand letters have been sent out. If you haven't received yours, kindly drop us an email at [annualmembershipfee@icap.org.pk](mailto:annualmembershipfee@icap.org.pk). The dues can also be checked by logging in to members' secured area on <https://www.icap.org.pk/my-account/>



# BECOME A MEMBER

CA  
PAKISTAN

## MEMBERSHIP BENEFITS

- Pre requisite to start practice
- Global job opportunities
- Opportunity to participate in ICAP Committees
- Foreign institutes' recognitions
- Access to quality CPD activities
- Funding through Benevolent Fund in case of need
- Free subscription to Newsletter and The Pakistan Accountant
- Discounted rates for group life and health insurance schemes
- Access to Services Desk of Membership Department for:
  - good standing letters
  - ACA/FCA certificates attestation
  - visa and immigration letters
  - verifications for employers, institutes and other third parties

## Not hearing from ICAP lately? Missing your copies of Newsletter and The Pakistan Accountant?

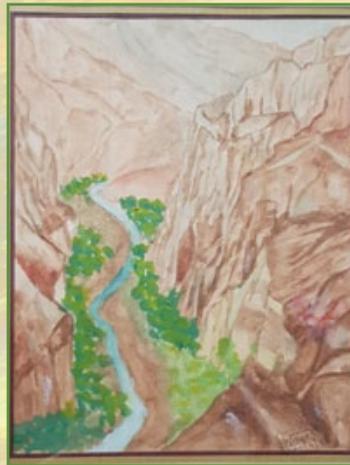


Your old particulars with ICAP could be the reason you haven't been hearing from us lately. If there has been any change in your particulars, kindly provide the latest details to the Membership department.

You can either email us at [membership@icap.org.pk](mailto:membership@icap.org.pk) or use the Members Particulars Form available on the members login area on ICAP website at <https://www.icap.org.pk/my-account/>

*Let's stay in touch.  
Happy updating!*

## ART ACCOUNTANT



A few oil and water based paintings from the collection of ICAP member Waqas Khalid from Multan. Paintings, calligraphy, cartoons and sketches are some of the hobbies of this multi-talented chartered accountant.



## technical update

### Update:

## Local Regulatory Framework

**SECP notifies the designation and appointment of registrars under the Limited Liability Partnership Act 2017:** The Securities and Exchange Commission of Pakistan (SECP) vide S.R.O 655(I)/2018 (dated May 24, 2018) designated the registrar of companies under the Companies Act 2017 to be the registrar of limited liability partnerships. The SRO further notified the appointment of additional registrars, joint registrars, deputy registrars and assistant registrars performing duties and functions under the Companies Act 2017, to also perform the designated function for the limited liability partnerships.

**SECP notifies the registration offices of limited liability partnerships under the Limited Liability Partnership Act 2017:** The SECP vide S.R.O 656(I)/2018 (dated May 24, 2018) notified registration offices for registration of limited liability partnerships and performing other duties under the Limited Liability Partnership Act 2017 in various cities and territories.

**SECP amends the Insurance Rules 2017:** The SECP vide S.R.O 658(I)/2018 (dated May 28, 2018) amended the Insurance Rules 2017. The amendments primarily relate to classification of insurance surveyors, specification of classification of insurance surveyors in the license and certificate of registration, prescription of minimum paid up capital of surveying company, fee for grant of surveyor license. The amendments also add requirement to submit continuous professional development certificate by the directors and chief executive officers of all the fresh applicants for miscellaneous business of survey.

**SECP signs Memorandum of Understanding (MoU) with Pakistan China Institute:** The SECP signed an MoU with Pakistan China Institute on May 31, 2018. The MoU will enable both parties to conduct researches on topics related to China Pakistan Economic Corridor (CPEC) and the Belt and Road Initiatives. In addition, joint seminars will be conducted in particular on savings and investments, financial literacy and company incorporation.

**SECP notifies the Credit and Suretyship (Conduct of Business) Rules 2018:** The SECP vide S.R.O 696(I)/2018 (dated June 1, 2018) issued the Credit and Suretyship (Conduct of Business) Rules 2018. The rules allow non-life insurance companies registered under Insurance Ordinance 2000 and set out regulatory framework for

issuing contracts of guarantees and bonds including custom bonds, fidelity bonds, mobilisation advance guarantee, administration bonds and payment bonds.

**SECP amends conditions for charging of selling and marketing expenses to mutual funds:** The SECP vide Circular No. 5 of 2018 (dated June 4, 2018) amended the Circular No. 40 of 2016 (Conditions for Charging of Selling and Marketing Expenses to Mutual Funds) issued under regulation 60(3)(v) of the Non-Banking Finance Companies and Notified Entities Regulations 2008. The amendments allow charging of selling and marketing expenses initially for three years (from January 1, 2017 till December 31, 2019) to all categories of open ended mutual funds except funds of funds and money market funds. The amendments further provide that such expenses can only be used for cost pertaining to opening and maintenance of all branches by the asset management companies and payment of salaries to sales team posted at such branches.

**SECP records 17 percent growth in company registration in May, 2018:** SECP vide press release dated June 6, 2018 announced that it registered 1094 new companies in May 2018 which represents a 17 percent growth compared with corresponding of last financial year. According to the press release, the massive increase is the result of the SECP's various reform measures, i.e. introduction of simplified combined process for name reservation and incorporation, reduction of fee, assistance of incorporation by facilitation wings of Company Registration Offices (CROs).

**SECP notifies the Employees Contributory Funds (Investment in Listed Securities) Regulations 2018:** The SECP vide S.R.O 731(I)/2018 (dated June 6, 2018) notified the Employees Contributory Funds (Investment in Listed Securities) Regulations 2018. The regulations repeal Employees' Provident Fund (Investment in Listed Securities) Rules 1996 and Employees' Provident Fund (Investment in Listed Securities) Rules 2016. Further, the regulations apply to all provident funds, contributory pension funds or any other contributory retirement funds constituted by a company or where a trust has been created by a company to manage such funds.

**SECP amends the First Schedule to the Companies Act 2017:** The SECP vide S.R.O 732(I)/2018 (dated June 7, 2018) amended the First Schedule to the Companies Act 2017 to revise the licensing requirements for associations having charitable and not for profit objectives. The amendments

## Introducing in the April-June 2018 issue of

The Pakistan

# accountant

## Professional Experts & Writers

### READ

- **Avoid Discrimination: File Tax Returns** by Samir Ahmed, a Karachi-based working journalist who specialises in financial markets & taxation matters.
- **Pakistan's Digital Age Challenges in Management and Governance** by Saad Gul, an upcoming private entrepreneur in Islamabad with a business administration & marketing background.



CA  
PAKISTAN

**Publication Department**

The Institute of Chartered Accountants of Pakistan

mainly require that objectives of the association laid down in the memorandum of such associations shall be achieved subject to conditions specified in the Association with Charitable and Not for Profit Objects Regulations 2018 and any additional conditions included in the license.

**SECP notifies the Association with Charitable and Not for Profit Objects Regulations 2018:** The SECP vide S.R.O 733(I)/2018 (dated June 7, 2018) notified the Associations with Charitable and Not for Profit Objects Regulations 2018. The regulations specify procedure for grant of license to associations with charitable and not for profit objectives, incorporation of association as a public limited company, conditions applicable to such companies, fit and proper criteria for the promoters, members, directors and chief executive officer, provision for revocation of license and subsequent transfer of assets to another company licensed under Section 42 of the Companies Act 2017 (Act) and monthly reporting requirements.

**SECP notifies the Draft Companies (General Provisions and Forms) Regulations 2018:** The SECP vide S.R.O 758(I)/2018 (dated June 11, 2018) notified the Draft Companies (General Provisions and Forms) Regulations 2018 for public comments. The regulations set out 40 forms and returns covering the statutory reporting under the Companies Act 2017. The regulations would repeal the Companies (General Provisions and Forms) Rules 1985, the Single Member Companies Rules 2003 and SRO 546(I) of 2017.

**SECP prohibits pension fund managers from charging front end load fee on contributions made directly, online or through employer:** The SECP vide Directive No. 7 of 2018 (dated June 8, 2018) directed the pension fund managers operating under the Voluntary Pension System Rules 2005 that no front end load fee shall be charged on any subsequent contribution made by participant directly, online or through employer.

**SECP revises the requirements for establishment and functioning of private security companies:** The SECP vide Circular No. 8 of 2018 (dated June 13, 2018) issued the revised requirements for establishment and functioning of private security companies. Under the revised requirements, single member companies have been barred from forming private security companies. Further, new proposed and existing security companies are required to increase and maintain their authorised capital and paid up capital more than Rs. 10 million.

**SBP prescribes minimum paid up capital of credit bureaus in private sector:** The State Bank of Pakistan (SBP) vide order ERD/(M&PRD)/PR/01/2018-38 (dated May

14, 2018) prescribed minimum paid up capital of Rs. 225 million for credit bureaus in private sector in terms of Section 6 of the Credit Bureaus Act 2015. The order has been issued on direction of Honorable High Court of Sindh which declared in a petition, the minimum paid up capital of Rs. 250 million mentioned in Section 6 of the Credit Bureaus Act 2015 as ultra vires.

**SBP revises Policy Rate and Overnight Repo/Reverse Repo Rate:** The SBP vide Domestic Market & Monetary Management Department (DMMD) Circular No. 12 of 2018 (dated May 25, 2018) announced the decision to increase in Policy Rate from 6.00% to 6.50%. Further, the SBP Overnight Reverse Repo (Ceiling) rate and the SBP Overnight Repo (Floor) rate was revised to 7.00% and 5.00% respectively. The revised rates became effective from May 28, 2018.

**SBP revises the Shari'ah Governance Framework for Islamic Banking Institutions:** The SBP vide IBD Circular No. 01 of 2018 (dated June 7, 2018) notified the revised Shari'ah Governance Framework for Islamic Banking Institutions (IBIs). The framework updates the Shari'ah Governance Framework for Islamic Banking Institutions formerly from effective July 1, 2015 issued vide Circular No. 1 of 2015.

**SBP establishes the Line of Credit Fund for Microfinance Banks and Non-Bank Microfinance Companies:** The SBP vide AC&MFD Circular No. 01 of 2018 (dated June 14, 2018) announced that it has set up a Line of Credit (LoC) Fund for Microfinance Banks (MFBs) and Non-Bank Microfinance Companies (NBMFCs) for onward lending to microfinance borrowers. In addition, SBP will provide funds to Non-Bank Finance Companies (NBFCs) established for wholesale lending to MFBs and NBMFCs. The eligible institutions are encouraged to apply as per the 'Rules for the Line of Credit Fund.' Further, the participating financial institutions will have to comply with the requirements of 'Environmental and Social Risk Management Guidelines.'

**PSX notifies various amendments to PSX Regulations:** Pakistan Stock Exchange (PSX) vide notice PSX/N-3671 (dated June 11, 2018) notified various amendments to PSX Regulations. The amendments relate to removal of Code of Corporate Governance provisions from PSX regulations pursuant to promulgation of Listed Companies (Code of Corporate Governance) Regulations 2017, exclusion of Open-End Mutual Funds listed on PSX from the requirements of closure of share transfer books, additions to the description of price-sensitive information and listing fee.

**ICAP publishes updated list of practicing firms having satisfactory QCR rating:** The Institute of Chartered Accountants of Pakistan (ICAP) has published list of practicing firms having satisfactory QCR rating as on May 29, 2018.

The list can be found on the below link:  
<https://www.icap.org.pk/quality-assurance/list-of-firms-having-satisfactory-qcr-rating/>

**The Senate passes the Establishment of the Federal Bank for Cooperatives and Regulation of Cooperative Banking (Repeal) Act 2018:** The senate passed the Establishment of Federal Bank for Cooperatives and Regulation of Cooperative Banking (Repeal) Act 2018. The act repeals the Establishment of the Federal Bank for Cooperatives and Regulation of Cooperative Banking Act 1977 (IX of 1977) which governed the establishment and operations of the Federal Bank for Cooperatives. The federal government dissolved the Federal Bank for Cooperative on April 30, 2014.

**The National Assembly passes the Gas Infrastructure Development Cess (Amendment) Act 2018:** The National Assembly passed the Gas Infrastructure Development Cess (Amendment) Act 2018. The act effectuates the agreement reached between the federal government and the CNG stations through All Pakistan CNG Association for collection of the cess pursuant to Gas Infrastructure Development Cess Act 2015. Previously, the cess was not being paid to the federal government by the CNG stations due to various stay orders from court.

**The National Assembly passes the SBP Banking Services Corporation (Amendment) Act 2018:** The National Assembly passed the SBP Banking Services Corporation (Amendment) Act 2018. The act amends the SBP Banking Services Corporation Ordinance, 2001 to optimise the operational efficiency of the SBP Banking Services Corporation, thereby bringing it in conformity with the emerging operational needs.

**The National Assembly passes the Banks (Nationalisation) (Amendment) Act 2018:** The National Assembly passed the Banks (Nationalisation) (Amendment) Act 2018. The act amends the Banks (Nationalisation) Act, 1974 to remove the restriction contained in Section 17 on nationalised banks to declare interim dividend to their shareholders.

**The National Assembly passes the Investment Corporation of Pakistan (Repeal) Act 2018:** The National Assembly passed the Investment Corporation of Pakistan (Repeal) Act 2018. The Act repeals the

Investment Corporation of Pakistan Ordinance 1966 which governed the establishment and operations of the Investment Corporation of Pakistan (ICP). The federal government dissolved the ICP under the approval given by Federal Cabinet Committee on June 13, 2001.

**The House Building Finance Corporation (Repeal) Act 2018 receives assent of the President:** The House Building Finance Corporation (Repeal) Act 2018 received assent of the president on May 18, 2018. The Act repeals the House Building Finance Corporation Act 1952 which had become redundant after establishment of House Building Finance Company Limited.

## Update:

### International

**IESBA seeks public comments on its consultation paper 'Professional Skepticism – Meeting Public Expectations':** The International Ethics Standards Board for Accountants (IESBA) seeks public comment by August 15, 2018 on its consultation paper, Professional Skepticism – Meeting Public Expectations. In response to regulatory and other stakeholder feedback on the topic, the paper explores:

- The behavioural characteristics comprised in professional skepticism;
- Whether all professional accountants should apply these behavioural characteristics; and
- Whether the International Code of Ethics for Professional Accountants (including International Independence Standards) should be further developed to address behaviours associated with the exercise of appropriate professional skepticism.

The consultation paper can be found at the below link: <https://www.ifac.org/publications-resources/global-ethics-board-consults-professional-skepticism>

## Update:

### Tax

**FBR Clarifies Provisions of Section 182A REF. FA2018**  
The Federal Board of Revenue (FBR) has clarified that the provisions of new Section 182A (late filers not be included in Active Taxpayers List) of the Income Tax Ordinance 2001 shall apply from tax year 2018 and onwards for which the first active taxpayers list is to be issued on March 1, 2019 under Income Tax Rules 2002.

### Section 227C Introduced: Non-Filers Barred from Purchasing Certain Assets

According to the Finance Act 2018, the new Section 227C of the Income Tax Ordinance 2001 has imposed restriction on purchase of certain assets. Notwithstanding anything contained in any law, for the time being in force, any application or request by a person to any authority responsible for registering, recording or attesting transfer of any immovable property, exceeding Rs. 5 million for registering or attesting the transfer shall not be accepted or processed by such authority, unless the person is a filer. Moreover, any application for booking, registration or purchase of a new locally manufactured motor vehicle or for first registration of an imported vehicle shall not be accepted or processed by any vehicle registering authority of Excise and Taxation department or a manufacturer of a motor vehicle respectively, unless the person is a filer.

### Section 101A Gain on Disposal of Assets Outside Pakistan Inserted by Finance Act

A new 'Section 101A' (Gain on disposal of assets outside Pakistan) has been introduced in the Income Tax Ordinance 2001 according to which a person acquiring the asset from non-resident persons shall deduct tax from the gross amount paid as consideration for the asset at the rate of ten percent of the fair market value of the asset and shall be paid to the commissioner by way of credit to the federal government through remittance to the government treasury or deposit in an authorised branch of the State Bank of Pakistan or the National Bank of Pakistan, within 15 days of the payment to the non-resident.

The resident company shall collect advance tax as computed from the non-resident company within 30 days of the transaction of disposal or alienation of the asset by such non-resident company: Provided that where the tax has been deducted and paid by the person acquiring the asset from the non-resident person, the said tax shall be treated as tax collected and paid under this subsection and shall be allowed a tax credit for that tax in computing the tax.

Where tax has been paid, no tax shall be payable by the non-resident company in respect of gain under subsection (8) of Section 22 or capital gains under Section 37 or 37A. Where any gain is taxable under this Section and also under any other provision of this Ordinance, the said gain shall be taxable under other provision of the Ordinance.

Under the Finance Act 2018, where the asset is any share or interest in a non-resident any, the asset shall be treated to be located in Pakistan, if the share or interest derives, directly or indirectly, its value wholly or principally from the assets located in Pakistan; and shares or interest representing ten per cent or more of the share capital of the non-resident company are disposed or alienated.

The share or interest shall be treated to derive its value principally from the assets located in Pakistan, if on the last day of the tax year preceding the date of transfer of a share or an interest, the value of such assets exceeds Rs. 100 million and represents at least fifty per cent of the value of all the assets owned by the non-resident company.

The value as mentioned shall be the fair market value, as may be prescribed, for the purpose of this section without reduction of liabilities. Where the entire assets by the non-resident company are not located in Pakistan, the income of the non-resident company, from disposal or alienation outside Pakistan of a share of, or interest in, such non-resident company shall be treated to be located in Pakistan, to the extent it is reasonably attributable to assets located in Pakistan and determined as may be prescribed.

Where the asset of a non-resident company derives, directly or indirectly, its value wholly or principally from the assets located in Pakistan and the non-resident company holds, directly or indirectly, such assets through a resident company, such resident company shall, for the purposes of determination of gain and tax thereon or, as the case may be, shall furnish to the commissioner within 60 days of the transaction of disposal or alienation of the asset by the non-resident company, the prescribed information or documents, in a statement as may be prescribed: Provided that the commissioner may, by notice in writing, require the resident company, to furnish information, documents and statement within a period of less than 60 days as specified in the notice.

#### **FBR Allows Duty-Exempted Plants to be Resold**

The FBR has allowed export-oriented units (EOU) to sale or transfer plant and machinery to another exporter. Such equipment is subject to exemption and concessions under export-oriented Small and Medium Enterprises Rules 2008. But, the government previously prohibited resale or transfer of such duty-exempted plant and machinery.

The FBR also amended rule related to the disposal of goods in local market by the EOUs. Under the amended rules, the local sale of goods may be allowed on the

payment of duties and taxes applicable at the time of import along with payment of surcharge against Karachi Inter Bank Offered Rate (KIBOR) +3% per annum to be calculated from the date of import of input goods, however, the said quantity of input goods for local sale should not be more than ten percent of the total imports during a year.

The FBR also introduced penalty in case of shortfall in export limit under concessionary regime. Accordingly, if export shortfall is up to five percent the FBR will recover duty and taxes to the extent of input goods, and if export shortfall is over ten percent then the amount of surcharge would be recovered at KIBOR +5% per annum along with other applicable charges.

#### **Court Restores Investigation Powers of FBR**

The federal government has restored power of Directorate General Intelligence & Investigation (DG I&I) of Inland Revenue to initiate proceedings against the people who had possibly laundered tax-evaded money under the Anti-Money Laundering Act (AMLA) 2010. The power was originally extended through a Statutory Regulatory Order 611 in September 2016, which was struck down by the Lahore High Court in January on the plea that it was issued by a federal ministry without the express approval of the federal cabinet.

In the wake of this decision proceedings against 270 influential people accused of laundering tax-evaded money have been revived. These influential individuals were flagged by the State Bank's Financial Monitoring Unit for possible money laundering in certain transactions, and their cases were forwarded to the DG I&I for investigation.

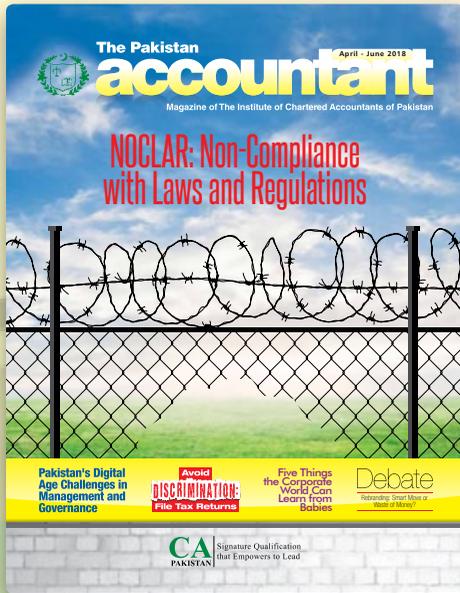
#### **FBR to Start Automatic Sharing of Data with OECD from September 2018**

Pakistan has officially decided to share financial information about bank accounts of non-residents on reciprocal basis under a multilateral tax convention with the Organisation for Economic Cooperation and Development (OECD) nations. The sharing of information will start from September 2018 after installation of required hardware and software at the FBR and other dedicated units.

Pakistan has become a member of the Peer Review Group (PRG) of the Global Forum for the period of 2018-20. The PRG is a group of 30 countries which enjoy the power to negotiate, review and monitor policy regarding automatic exchange of information of all the member countries.

# Watch Out

## for the April-June 2018 issue



### Special Read

Industry Perspective of cover story NOCLAR by Council member & Professional Accountants in Business (PAIB) chairman Khalilullah Shaikh – writing for The Pakistan Accountant for the first time.

### Also Read

- **Strategic Planning in Small & Medium Businesses**  
by Muhammad Kamran
- **Sustainable Cost Reduction**  
by Amjad Waqar
- **Five Things the Corporate World Can Learn from Babies**  
by Farhad Nasiruddin Rajabali
- **Automation & Relevance of Accountants**  
by Muaaz Tahir
- **Women in Accounting - Opportunities and Obstacles**  
by Hina Kazi
- **Around the Globe**  
by Samina Iqbal
- **For Trainee Students: Managing Professional Relations**  
by Sahir Jamal

The information to be shared includes closing balance of bank accounts on December 31, 2017 of non-residents regarding interest payments, dividend income or other incomes coming into that account. Similarly, the information of closing bank accounts of each calendar year will be shared with the member countries.

Under the convention, information will be exchanged about those non-residents who opened bank accounts in Pakistan in July-December 2017. There is no cash limit for bank accounts of non-residents during this period. Contrary to this, bank accounts of non-resident individuals that were opened in Pakistan prior to July 1 with more than \$10,000 will also be shared with OECD treaty members.

### **Benefit of Sales Tax Reduced Rate: LHC Confirms ATIR Order**

Lahore High Court has confirmed a landmark order passed by Appellate Tribunal Inland Revenue (ATIR) dismissing the Sales Tax appeal preferred by the FBR against the ATIR order and holds that ATIR was justified which ruled that the benefits of reduced rate of Sales Tax were available to the items specified in the zero-rated SRO 1125 under Sales Tax Act 1990, irrespective of their consumption within five sectors or outside five sectors. The ATIR has also ruled that the zero-rating SRO(s) under Sales Tax Act 1990 are goods specific and not sector specific and goods specified in these SRO are major factor to claim benefits of zero rating under Sales Tax law. The goods specified in table to these SRO are deciding factor either to be used in five reduced rated/textile sectors or non-reduced rated sector. The usage of goods specified in table decides the rate of sales tax to be charged without considering the buyers.

### **Export Policy Order and Import Policy Order 2016 Altered**

The federal government altered Export Policy Order and Import Policy Order 2016, allowing duty and tax free re-exportable materials, lifting of ban on export of sugar and import of five year used electric vehicles on the analogy of three years used cars.

### **FBR Facilitates Taxpayers through Timely Correction in CPRs**

The FBR has taken a new step to facilitate taxpayers in payment of Sales Tax and Income Tax through timely correction in Computerised Payment Receipts (CPRs). In this regard, the FBR has issued instructions to the field formations to ensure timely corrections in the CPRs where required by the taxpayers. For the purpose, a module to make correction in CPRs has been developed

and deployed at each field office level. Scope of such changes is limited to correction of two specific areas including change in NTN/name of taxpayers and change in tax period.

### **LHC Decision - Commissioner Cannot Amend Assessment U/S 170**

Section 170 of Income Tax Ordinance 2001 (ITO) read with Rule 71 of the Income Tax Rules 2002 (the Rules), deals with conditions, procedure and powers for issuing or refusing refund. A taxpayer, who has paid tax in excess of the amount chargeable under ITO, may apply in terms of Section 170 to the commissioner for a refund of the excess tax paid through an application made within three years. The commissioner shall, within 60 days of receipt of a refund application shall pass an order of accepting or refusing of refund application after providing the taxpayer an opportunity of being heard. Section 170 gives powers merely to assess whether claimed refund is supported by evidence or not.

Lahore High Court (LHC) has opined that the commissioner may issue a fresh show cause notice for amendment or further amendment of an assessment order, passed under Section 120 of ITO, by invoking provisions of Section 122 of ITO, audit under Section 177 or otherwise. Hence, the commissioner could not question the authenticity of assessment order passed under Section 120 of ITO because Jurisdiction of commissioner under Section 122, was and is distinguishable from the jurisdiction envisaged under Section 170 of ITO.

### **Sales Tax on Franchise Services**

The Sindh Revenue Board (SRB) vide notification issued on May 16, 2018 made a major amendment in the Sindh Sales Tax on Services Rules, 2012 (SSTSR). In Rule 36 of the SSTSR the services providers of Franchise Services (tariff heading 9823.0000) and Intellectual Property Services (tariff heading 9838.0000) have the option to elect standard rate of SST @13% and avail input tax adjustment against providing and rendering the services.

### **Marriage Halls, Lawns: SRB to Collect Sales Tax on Services**

Sindh High Court has dismissed the petition of Karachi Marriage Halls/Lawns Owners Association. With the dismissal of the aforesaid petitions, the SRB would now be able to enforce the levy and collection of the Sindh Sales Tax on the services of Marriage Halls & Lawns including those located in hotels or clubs, levied since July 1, 2011 but not being collected due to ad-interim orders in the aforesaid constitutional petitions.

 hr news

## Data-Driven HR

### How Big Data & Analytics are Transforming Recruitment

Nowadays, organisations are understating the importance of data analytics involvement in HR and its ability to assist in making better decisions to manage its current as well as the potential workforce. This means that it can potentially impact all HR processes, like recruitment and selection, compensation, learning and development, and retrenchment.

Focusing on recruitment, organisations are using various channels to identify and create their unique candidate pool; hence, making it important to have a clear understanding of which channels to choose that deliver the greatest returns. Data Analytics allow firms to test various recruitment channels and measure their success rate more accurately enabling them to reach exactly the kinds of people the firm wants to attract.

Many HR professionals and hiring managers admit that they make appointments based on their gut feelings or become a victim of unconscious biases. To recede these issues, data analytics represents factual data that simply takes the guesswork out of recruitment process ultimately find more suitable people who will stay happy and in the position for longer.

Employers in every industry are turning to Data Analytics and Artificial Intelligence (AI) tools to allow them to find the best candidates based on their skills, interests and experiences. These tools are increasingly being offered by vendors such as LinkedIn to sift through candidates' profiles and identify the most suitable people for a position.

When recruiting a new candidate, personality and fit are just as important as skillset. It's relatively easy to use analytics software to sift through potential candidates and find those with data points that best fit your 'shopping list' of ideal attributes – in just a matter of minutes. The final hiring decision will always come down to a human, but data and analytics can save a lot of time by narrowing the field down from maybe hundreds of candidates to the most suitable 10 or 20. This automation of certain processes frees up the HR team to focus on other activities.

In today's world, it is requisite for organisations to maintain up to date and clearly defined data which is robust, is of high quality, and can be used in a consistent way by skilled experts in order to develop a competitive edge in identifying and attracting exceptional talent for the organisation.

Source: Forbes.com

## AI CHALLENGES DOCTORS IN SKIN CANCER DIAGNOSIS



A new study published in the journal *Annals of Oncology* is the latest to put flesh-and-blood physicians against their ever-burgeoning AI rivals. The machines proved better than the humans at telling the difference between cancerous moles and benign ones. It's far from the first study to suggest computers can help doctors read diagnostic images – a field where artificial intelligence may prove especially useful in the coming years.

Source: Web search

### Quote

“The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands in times of challenge and controversy.”

– **Martin Luther King**, American Baptist minister and activist

### Happy Anniversary at ICAP

The following staff of The Institute of Chartered Accountants of Pakistan (ICAP) will complete their five and 10 years at ICAP during July, 2018. Congratulations to All!

- Asif Hamesh Khan, manager  
North Regional Committee (NRC): 5 Years
- Syed Arif Ali, senior officer  
Education and Training: 10 Years
- Tousif Jamil, senior officer  
Southern Regional Committee (SRC): 5 Years
- Ghulam Muhammad, librarian  
Southern Regional Committee (SRC): 5 Years

 **student section**

**Career Counselling**



Abbottabad



Mirpur

The Institute of Chartered Accountants of Pakistan (ICAP) conducted nine career counselling sessions at Abbottabad, Mansehra and Mirpur to educate potential students about the chartered accountancy profession. More than 300 students from different academic backgrounds attended the sessions where they were briefed about ICAP and CA Pakistan, its curriculum and entry routes, exemptions, available scholarships on need and merit base, Registered Accounting Education Tutors (RAETs)/Registered Accounting School System (RASS) and job opportunities offered to chartered accountants all over the world. Informatory brochures were also distributed. The sessions were conducted by Shukaib Ahmed, assistant manager Abbottabad, and M. Umar Hamid, deputy manager Lahore. The institutions visited were: **Mansehra:** Muslim College of Commerce, Shaheen College of Commerce; **Abbottabad:** Peshawar Coaching Academy; **Mirpur:** Mirpur Public School, Government Pilot High School No. 1, Mirpur Model High School, Government Pilot High School No. 2.

 **feedback**

**Introduce New Segments**

Dear Publications team, good day! I read the June Newsletter with delightful interest. The entire team has shown extraordinary efforts in putting numerous events in one assign. Indeed it's a very impressive issue and provides a good overview



of life at ICAP. It would be great if the team could introduce segments like Academic and Professional Achievements of Staff Members and Performance Recognition of Staff Member (such as Employee of the Month or Star of the Month) in the upcoming issues. Acknowledgement of the staff's educational, professional and performance achievements in ICAP's Newsletter will help in boosting the morale of our workforce which is intrinsically linked with employee motivation and engagement. Employees' motivation level and happiness index impacts the traditional profit and loss of all organisations. So, it should be valued. Best wishes for continued success. Kudos for more.  
 – **Syeda Hoor Ul Ain**, manager Education and Training department, ICAP, Karachi

**Well-Drafted Contents**

Dear concern, I read the June Newsletter 2018, it was very well-drafted and the placement of material was also perfect. Well done, Publication team.  
 – **Muhammad Zohaib**, chief financial officer Omni Group of Companies, Karachi

**Vacancy for Audit Trainees**

Tanzeem & Co. Chartered Accountants require audit trainees who have completed Certificate in Accounting and Finance (CAF) with The Institute of Chartered Accountants of Pakistan (ICAP). Interested students may send in their CVs at the following address:

Tanzeem & Co. Chartered Accountants  
 Suite No. 206, Kashif Center, Shahrah-e-Faisal, Karachi.

Email: [info@tanzeemchartered.co](mailto:info@tanzeemchartered.co)  
 Website: [www.tanzeemchartered.co](http://www.tanzeemchartered.co)

# bubbles & briefs



Great leaders never stop evolving.



**God has a reason** for allowing things to happen. We may never understand His wisdom, but we simply have to trust His will.

## Rain Check

A rain check is a promise or commitment from a seller to a buyer that an item currently out of stock can be purchased at a later date for the current day's sale price. The term originated in baseball in the 1800s.

Source: The Express Tribune



Today, we produce about 300 million tonnes of plastic waste every year. That's nearly equivalent to the weight of the entire human population.

*The only real mistake is the one from which we learn nothing.*

"Manners are a sensitive awareness of the feelings of others. If you have that awareness, you have good manners, no matter what fork you use."

-Emily Post, American author.



## DID YOU KNOW?

There are over one hundred billion galaxies with each galaxy having billions of stars.

## Highest Mountain

The highest mountain known to man is the Olympus Mons, which is located on Mars. It's peak is 15 miles (25KM) high, making it nearly 3 times higher than Mt Everest.



The most deadly fires that occur in the home happen between 6 pm and 10 pm.

**DON'T WORRY  
IT WILL ALL  
ADD UP  
IN THE END.**

Accountant's  
Philosophy



## Mother's Day

(Continued from page 32)

just fill the hot water bottle and take out the garbage the first time I ask. And if you could combine the above with remembering to be grateful for all you have, I would be the happiest mother ever."

***It is reported that more phone calls are made on Mother's Day than any other day of the year.***

A realistic perspective indeed of one of the several 'Days' we are subscribing to so religiously – imported from the west, the bottom line of which is rooted in commercialism. Mothers, and mothers' love, are too precious to be assigned to a single day of celebration. Yet, with every passing year, these fancy 'Days' are getting rooted deeper and deeper and becoming our reality and a nuisance. Let's pause and think.

Though a single day can never be enough to thank a mother for her love and commitment, it is important to dedicate at least one in 365 days to make her feel special. That's the philosophy behind Mother's Day.

Mother's Day is celebrated on various days in many parts of the world, but most commonly on the second Sunday of May. This year too, along with the rest of the world, we too in Pakistan celebrated it with lots of gusto and conviction.

The origins of Mother's Day date back to the ancient Greek times, but Anna Jarvis is recognised as the woman who invented Mother's Day in America after she held a memorial for her mother in West Virginia in 1908.

Ironically, the woman who talked the country into establishing Mother's Day ended her days trying to scrub the whole thing. She was bitterly disappointed in the way the sentiment she pioneered became an occasion for commercialisation. "A printed card means nothing," she raged. "Nothing, except that you are too lazy to write the woman who has done more for you than anyone in the world. And candy... you take a box to Mother, then eat most of it yourself. A pretty sentiment!"

***"I would rather NOT have flowers and chocolates on this day, and would be happier if you remembered to think of me and call me every day instead! Oh yes, and a few extra cuddles, "Love you, Amma," and kisses will do the job just fine. Even better, just fill the hot water bottle and take out the garbage the first time I ask."***

It doesn't end here...there are scores of other 'Day(s)' also being celebrated in countries we love to copy blindly. Have you heard of Eat Your Vegetables Day, Let it Go Day, Make Your Bed Day, Be Bald and Free Day, No Socks Day, Hug Your Cat Day...? The list is endless. And sadly, real. Before we get on the bandwagon and also get hooked on to celebrating other such 'Days' and concepts, let's pause and think.

**PS:** Confession. That second Sunday of May, I too was guilty of receiving a bouquet, card and gifts, hogging on Cadbury with nuts and raisins (my favourite), and looking forward to a family dinner in my honour (which I ended up paying for).

 meet of the month: Mother's Day

# Why do we celebrate Mother's Day?

by Samina Iqbal



**On Mother's Day, social media, especially Facebook, swoons with messages of undying love and gratefulness for mothers.**

**M**other's Day, Father's Day, Valentine's Day, Halloween Day... sales and deals, parties and picnics at beaches and farm houses, dinners, flowers, cards, chocolates, perfumes, jewellery and other gorgeous gifts and get-ups. Mother's Day, especially, is getting bigger with each passing year. On Mother's Day, more than any other time of the year, shopping malls are getting busier with gift buying for that supreme soul, and all high end restaurants boasting more people on the waiting-to-be-seated list than those inside.

It is reported that more phone calls are made on Mother's Day than any other day of the year. Social media, especially

Facebook, swoons with messages of undying love and gratefulness for mothers.

One irritated mother, a friend, screamed out on FB: "Okay, guys – I'm glad you all love your mothers. But this Mother's Day stuff has really pissed (sorry) me off. I would like to point out that a mother's job is a 24/7 one, 365 days a year – I refuse to acknowledge my mother and will not accept acknowledgement from my children on this one day alone. I would rather NOT have flowers and chocolates on this day, and would be happier if you remembered to think of me and call me every day instead. Oh, yes, and a few extra cuddles, "Love you, Amma," and kisses will do the job just fine. Even better,

**(Continued on page 31)**