



**The Institute of  
Chartered Accountants  
of Pakistan**

**CA  
PAKISTAN**

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# Newsletter

Governance, Transparency and Service to Members and Students

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## meets & events

### Webinar Series on Pakistan Economy: Post COVID-19



L to R (Top): Rana Muhammad Usman Khan, Khalilullah Shaikh, Dr. Abdul Hafeez Shaikh, Ashfaq Yousuf Tola; (Bottom): Arsalan Khalid, Dr. Miftah Ismail, Dr. Reza Baqir and Muhammad Ali Latif.

The Economic Advisory & Government Relationship Committee in collaboration with Continuing Professional Development (CPD) Committee and Regional Committees of ICAP launched a webinar series on **Pakistan Economy: Post Covid-19** starting from May 13, 2020. The webinar series covers different aspects such as Government, Regulators, Multilateral Institutions, Opposition and independent Consultants, to provide a holistic picture and understanding to the participants.

### Pakistan Economy: Post COVID-19 – Government’s Perspective

The first webinar of the webinar series on **Pakistan Economy: Post Covid-19 – Government’s Perspective** with Dr. Abdul Hafeez Shaikh, Adviser to the Prime Minister on Finance & Revenue Affairs was held on May 13, 2020.

The webinar was viewed by 500 participants on Zoom and by more than 52,000 participants on the ICAP Official Facebook Page.

The President of the Institute of Chartered Accountants of Pakistan, Khalilullah Shaikh, welcomed the participants and the honorable speaker. He appreciated the role of the Economic Advisory & Government Relationship Committee and the Continuing Professional Development Committee (CPD) in conducting the webinar series that is very relevant. He hoped that members

will appreciate the learnings from the webinar series. In his presentation, Dr. Abdul Hafeez Shaikh discussed in detail about the measures taken by the Government of Pakistan to counter the prevailing COVID-19 crisis, its impact on the economy of Pakistan and how the government foresees this economic disruption.

He highlighted that the primary objective of the government is to avert 'recession' and strike a balance to generate revenue, without suffocating economic activities in the post COVID-19 situation. He also hinted at moving ahead with hedging of oil prices in the international market to certain portion of 15 percent of the total import bill. He said "The contraction of economy is expected and the Gross Domestic Product (GDP) growth may fall negative 1.5 percent for the outgoing fiscal year in the post COVID-19 situation against earlier projection of positive 3 percent."

He further added "It is a challenge for the government to devise policies to kick-start economic activities and bring down the budget deficit within the desired limits that might escalate to over 9 percent of GDP for the outgoing fiscal year." Dr. Shaikh described that the rising debt was problematic but the recent decrease in interest rate and getting concessionary loans would help us to reduce the debt burden.

The session was moderated by Ashfaq Yousuf Tola, Chairman Economic Advisory & Government Relationship Committee and Council Member ICAP. He asked pertinent questions and also picked up questions from the audience. When asked about the FBR's tax collection target of Rs. 5.1 trillion envisaged by the IMF for the next fiscal budget, Dr. Shaikh said that the discussions with the IMF were an ongoing process and the Fund was very supportive for stimulus package announced by the government in the post COVID-19 situation. The construction package, he said, was aimed at boosting the economic activities as the fixed tax was introduced, capital gains tax on one housing unit was abolished and the source of income would not be asked. He added "We will have to generate taxes but it will be done without suffocating the economy."

Shaikh said that the government would have to reduce excessive regulations because it increased the cost of doing business. Dr. Shaikh was of the view that oil on deferred payment from friendly countries contributed to small portion of the country's total import bill of energy requirements such as POL products and LNG. The hedging of POL prices would be taken into account with the cost attached to insurance. The option will be exercised to move ahead with hedging of 15 percent of total import bill of POL products.

Describing the tax reforms, he said that the country would have to stay on the course on tax reform path as it might not be pursued aggressively in the wake of coronavirus but the country would have to stick to this course of action.

Dr. Shaikh elaborated that complete lockdown was not possible keeping in view health, food and other emergency requirements. He said that Pakistan was a poor country and it could not afford shortages of food and other essential items. So the prime minister's direction for smart lockdown has a lot of wisdom.

To a question regarding reversal of SRO 1125 on the demand of textile sector for restoring zero rating regime for five export-oriented sectors, the adviser replied that no country could bring prosperity into the lives of people without earning in dollars, so the government provided subsidy to exporters on electricity, gas and loans. The government also placed automated refunds system for exporters. The government also helped the exporters through market access as the free trade agreement with China was revised, then GSP Plus from EU got extended and whenever our leadership met with top US officials, it always sought market access for exporters. He said "The toughest decision was taken for bringing domestic sale of textile sector under the tax net," and added that the government did not want a pick and choose policy on taxation issues.

On the opportunity side of post COVID-19 scenario, Dr. Shaikh said that there were many missed-out opportunities in the past as the reduced oil prices and incentives for industries, especially for construction sector despite having under the IMF program, could become positive for Pakistan. He said that when this government came into power, the current account deficit was over \$20 billion and the rupee was overvalued. He said that Pakistan struck a good program with the IMF that helped stabilize the economy in the pre COVID-19 situation. But the coronavirus affected the economy badly as it was going to hit exports and remittances negatively. The tax revenues that were expected to touch Rs. 4.7 or Rs. 4.8 trillion for the current fiscal year, now, it might fall to Rs. 3.9 trillion. The GDP growth rate would contract and might go negative 1.5 percent for the outgoing fiscal against the earlier projection of positive 3 percent. The government unveiled the stimulus package of Rs. 1,200 billion but now, the real worry was to avoid recession on economic front in the future.

To conclude the webinar, Muhammad Ali Latif, Council Member ICAP delivered the vote of thanks where he appreciated the honorable speaker for taking out his time and conducting an insightful question & answer session. Dr. Shaikh on accepting the vote of thanks mentioned that he holds Chartered Accountants in high esteem and it was a pleasure to address them.

## Second Webinar - Pakistan Economy: Post COVID-19

The second webinar on **Pakistan Economy: Post COVID-19** with Dr. Miftah Ismail, Former Finance Minister was held on May 27, 2020. The webinar was appreciated and attended by 500 participants on Zoom and by 51000 participants on the ICAP Official Facebook Page.

The session was moderated by Ashfaq Yousuf Tola. The President ICAP Khalilullah Sheikh, delivered his welcome address and emphasized on the relevance of this series.

Dr. Miftah Ismail discussed and commented in detail about the measures taken by the Government of Pakistan to counter the prevailing COVID-19 crisis, the impact on the economy of Pakistan and how the opposition foresees this economic disruption.

He said that the government should make efforts to maintain the circular debt in order to avoid outages in the coming years. He said that Economic growth had dropped to just -0.38 percent, with foreign reserves dropping fast in the face of a huge import bill, and a balance of payments crisis looming due to the coronavirus pandemic.

The pandemic outbreak has played a havoc with world markets, with the IMF estimating the world economy to contract by 3pc this year – the most severe downturn since the Great Depression in the 1930s. The situation could get much worse if the pandemic lingers into the second half of the year or resurges.

Miftah Ismail said that to increase the exports/imports, concrete incentives should be introduced by the government from the lower level. "To put the external sector in a more sustainable footing it will be important to address constraints to exports' competitiveness, including an overvalued exchange rate, a weak investment environment and a trade policy that at times hurts rather than supports exports."

About the steps taken for the growth of agriculture sector, he said the government should have further reduced sales tax on fertilizers, seeds and other materials in order to provide relief to farmers.

He mentioned that the recent monetary policy measures are important and necessary to prevent the economy from slipping into deep recession (due to the external shock) with consequent damage not just to current activity but also the potential output capacity of the economy.

In the case of Pakistan, given the low tax base, high debt-to-GDP ratio, extraordinary expense burden of high defense expenditure due to hostile neighborhood and the need for large transfers to provinces under the 18th Amendment, the space for expansionary fiscal policy at the federal level is rather narrow. Furthermore, in the coming financial year (2020-21) there will be still a need for emergency allocations in the face of Covid-19 crisis to protect the most vulnerable sections of society from its economic impact.

He further added that the government has already put in place a forum / think-tank of recognized luminaries to identify key areas to support the economy. This is a positive first step. At the same time, if a longer term sustainable growth is to be achieved (at least 6% real GDP growth per annum), the productivity part of the equation must be focused upon. Even before the Covid-19 crisis, although the government was near achieving primary surplus in its fiscal accounts, the foundational reforms to raise productivity were not in place.

He said that for now, it suffices to say that given the fiscal space created in 2020-21 due to lower interest expense on debt servicing after reduction in interest rates, a relatively benign inflation outlook and support from multilateral and bilateral partners to provide relief on external repayments, the government should focus on allocating certain amount of resources on longer term growth inducing initiatives.

The country's economy had the potential to grow by 8-10 percent annually and if solid economic policies and reforms will be introduced by the government in economic and taxation sectors, the higher growth target can easily be achieved in years ahead.

Ismail also talked about how Pakistan had cooperated a lot with the US in the war against terrorism which was the biggest hurdle in economic development, had also been subdued and around 90 percent terrorist activities had been reduced in the country. He, however stressed the need to promote a positive image of the country in the world to attract more investment in the country.

A detailed Q&A Session was also held in which participants asked pertinent questions related to the topic. To conclude the webinar, Arsalan Khalid, Chairman Southern Regional Committee delivered the vote of thanks.

## Third Webinar - Pakistan Economy: Post COVID -19 – Central Bank's Perspective

The third webinar on **Pakistan Economy: Post COVID -19 – Central Bank's Perspective** with Dr. Reza Baqir, Governor State Bank of Pakistan (SBP), was held on June 3, 2020.

The webinar was viewed by 450 participants locally as well as internationally on Zoom and 25000 participants on the ICAP Official Facebook Page.

The session was moderated by Ashfaq Yousuf Tola. The President ICAP delivered his welcome address.

Dr. Reza Baqir, through his presentation, discussed in detail about the measures taken by the SBP to counter the prevailing COVID-19 crisis, the impact on the economy of Pakistan and how the government foresees this economic disruption. He said that the coronavirus outbreak had delayed but not derailed the economic recovery process. Pakistan's pre-coronavirus performance on the economic front had helped contain the huge damage that could have been caused otherwise.

He said that the pre-coronavirus improvements in fundamentals, prudent policy response during the outbreak, and fully-funded external and fiscal positions helped the economy stand its ground.

The SBP governor said that before Covid-19, the country's external and fiscal fundamentals recorded significant improvement, Current Account Deficit (CAD) went down unprecedentedly, foreign exchange reserves had increased, fiscal deficit was reducing, tax revenues were on an upward trajectory while Pakistan stock exchange's performance was extraordinary.

He said that due to this performance, the outbreak's impact on financial markets had been relatively contained in Pakistan compared to many other emerging markets.

Dr. Baqir further added "Proactive and prudent fiscal and monetary policy measures, in coordination with international financial institutions have also been helping to cushion the impact of COVID-19."

Recalling the worst economic situation in 2018 and early 2019, the SBP governor said that had the COVID-19 surfaced at that time, our economy would have been on its knees by now.

He said that the government had to face criticism overtaking difficult decisions to streamline the country's economy but those decisions were bearing fruits now.

He also said that in order to minimize the impacts of lockdown in the country, the central bank took a number of measures, including *Rozgar* scheme, relief package for households and businesses, supporting health sector to combat the virus, relaxing credit requirements for exporters and importers, and facilitating new investment.

He said that Google's community mobility report for Pakistan of May 25 suggests that growth of retail and recreation, grocery and pharmacy, parks, transit stations and workplaces had declined 60% in response to COVID-19. However, the graph showed they are now on a recovery path.

He highlighted that the Pakistan Stock Exchange (PSX), which had dropped in March 2020 when the government imposed lockdown, remains on the path to recovery. The KSE-100 Index, a barometer to gauge economic performance, remained ahead of Morgan Stanley Capital International (MSCI) Equity Indices AEs and MSCI Equity indices EMEs.

He added that the measures taken by the central bank has provided relief worth around Rs. 1 trillion to people and the businesses.

Dr. Baqir said the bank introduced subsidized credit to all businesses, provided subsidized loans for salaries to the businesses that agreed not to layoff workers for three months. Besides, the central bank rescheduled loans acquired by people for one year. He clarified "95% of the beneficiaries are of small loan borrowers."

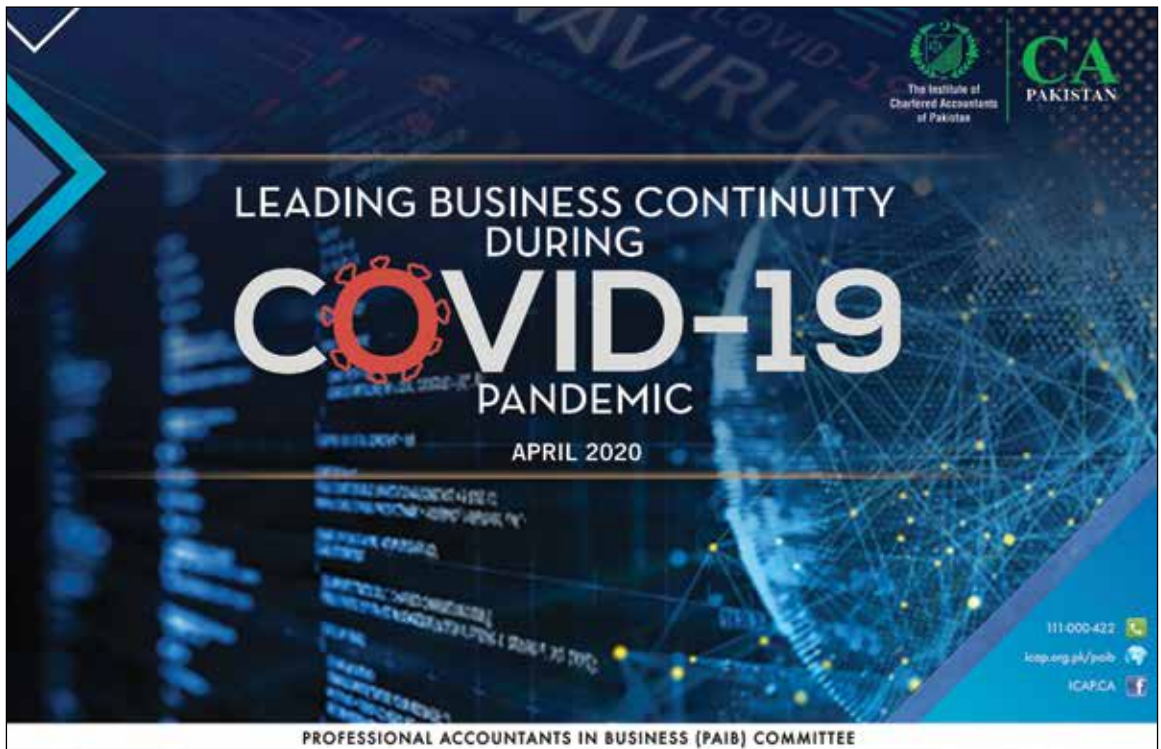
"This (Rs. 1 trillion relief by SBP) is on top of the Rs. 1.2 trillion package which the government announced."

The June 2019 reforms helped to improve the country's foreign currency reserves by more than \$10 billion by the time COVID-19 emerged.

He said "If this significant improvement had not taken place and if COVID-19 would emerge in June when our net (buffer reserves) position was zero – then our situation would have been hugely worse than what it is at present. We would have come down on our knees."

"If we think the COVID-19 has brought us on knees then we would have been buried under the ground if the reserves had not improved." The International Monetary Fund (IMF) world economic outlook suggests Pakistan's GDP would not affect as badly as of many others in the emerging markets. He claimed "Our growth reduction is comparatively lower than the others. We are better off than many other countries coping with COVID-19."

He stated the country is having more resources than the ones required to pay off external debt. "Our requirements are less than the available sources that we have. Therefore, we are quite confident, our external position is well funded."



Replying to a question, he said that the subsidy announced by the central bank on loans was still significant, despite a reduction in interest rate. However, he assured that the bank was also considering to further reduce the subsidy keeping in view the reduced interest rate.

To another question, he said, "We are still confident that in the months to come, the inflation will further decrease."

With respect to complaints by the Small and Medium Enterprise (SME) sector that the commercial banks were not providing them with required loans, he said that the SBP was focusing on bringing about a 'stick and carrot policy' for banks to provide maximum loans to small businessmen. He also assured to inject further liquidity to increase loans for the SME sector.

With regard to the policy rate, the SBP governor remarked that the monetary policy committee would be revised down provided there was a further reduction of inflation.

To conclude the webinar, Vice President ICAP, Rana Muhammad Usman Khan, delivered the vote of thanks in which he appreciated the efforts of the Central Bank and thanked the speaker for his useful insights.

## Webinar on Leadership for Accountants - How to Survive and Thrive in Crisis

The Continuing Professional Development (CPD) Committee of The Institute of Chartered Accountants of Pakistan (ICAP) organized a webinar on **Leadership for Accountants - How to survive and thrive in Crisis** on May 9, 2020. The webinar was appreciated and attended by 500 participants on Zoom.

The webinar was focused on the role of the C-Suite in navigating crisis such as carrying on business responsibility, transforming mindsets and implementing operational strategies to survive and ultimately thrive.

The Chairman CPD Committee, Ali Latif, gave a brief overview of the webinar. The webinar was conducted by Ansaar Qureshi, Certified Business Coach in Pakistan, qualified from Action COACH.

The CPD Committee will continue to work on different avenues to support and increase the members' CPD during these testing times.

## ICAP PAIB Committee Organizes Webinar

The Professional Accountants in Business (PAIB) Committee of The Institute of Chartered Accountants of Pakistan (ICAP) conducted a webinar on **Business Transformation Today and Tomorrow – Pakistan’s Perspective** on May 1, 2020. The panelists for the webinar included Muhammad Aurangzeb, Chairman Pakistan Banks Association and President & CEO Habib Bank Limited; Saqib Ahmad, Country Managing Director SAP Pakistan and Ehsan Saya, Managing Director Daraz (Alibaba Group). The session was moderated by Veqar UI Islam, Director and Chief Executive Jaffer Business Systems and President Touchpoint Pvt. Ltd.

The panelists shared where their organizations stood in terms of the three stages of the transformation process i.e.

1. Day to day transformation including doing daily activities faster, smarter and cost effectively, resulting in better customer satisfaction, lower cost of doing business and increased efficiency;

2. Core transformation including day to day transformation but fundamentally different with respect to the future; and
3. Strategic transformation including changing the form and substance of the organization.

According to Muhammad Aurangzeb, business transformation is already making significant changes in the company’s operating model but to what degree, is a question yet unanswered. Another significant change lies in the decision making process. The world is now more agile and quicker decisions are the need of the hour. In client engagement, it is important to understand what kind of interaction tools and travel is going to be required. It is a struggle to understand what is the right balance between accelerating in terms of digital interaction and keeping the heart and soul of the relationship with the clients. From the HR perspective, transformation includes implementing

Post-webinar paper  
May 2020

**Business Transformation  
Today and Tomorrow –  
Pakistan Perspective**

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flexi hours and working remotely, etc. In terms of real estate, considering that many employees will be working remotely so, it is a question if it is needed anymore. Another aspect could be that we might end up needing more space due to social distancing requirements.

Ehsan Saya shared that the first ingredient in the recipe of transformation is creating and promoting an environment of learning. Only through having a workforce that is keen on learning, do they actually start driving business insights that can drive your business into transformation. He further explained the dynamics of workforce changing skills by saying that the focus of the people needs to be in data. The key is to be able to dissect data to provide valuable insights to make significant improvements in the business. Companies

need to understand how to ensure that those insights that can be driven through us or how the employees can focus on making the business more efficient. The more efficient the business is, the more it will continue to grow our teams and ensure their learning.

Saqib Ahmad was of the view that the whole concept of approaching transformation is completely changing. The pace at which companies were working on this transformation depending on their financials or the speed of the industry is completely changed. The concept of doing business, approaching customers and employees is also changing.

The webinar was viewed by 8000 participants locally as well as internationally on Zoom and the ICAP official Facebook Page.

## ICAP Proposals for the Federal and Provincial Budget 2020-21

The Committee on Fiscal Laws of The Institute of Chartered Accountants of Pakistan (ICAP) formulates tax proposals for Federal and Provincial budgets each year, which are aimed at to assist government, build an innovative and responsive taxation system, broaden the tax culture, improve revenue collections, increase tax payers' confidence, ensure voluntary tax compliance, improve monitoring and eventually lead towards an all-inclusive, sustained economic growth.

This year the Committee's proposals mainly aimed to address national issues of low tax to GDP ratio, resource mobilization, policy and structural reforms, removal of anomalies in the relevant laws and easement of hardships faced by the taxpayers at large. Foremost in the recommendations, are proposed policy actions with the objective of broadening the tax base to enhance resources and plug tax leakages, and to ensure that all sectors of the economy are brought within the tax-net. The Committee also emphasized in the proposals that there is a dire need for administrative reforms and building long term strategic policy for modernizing the tax system and the COVID-19 pandemic has raised the urgency and importance of these reforms tenfold.

These proposals have also been submitted to the Federal Board of Revenue (FBR), followed by discussion with the Member (IR Policy) and other key officials, on the significant issues, who applauded ICAP effort for the valuable contribution. Also have discussed with the Chairman, Punjab Revenue Authority, and discussion with other Provincial heads is underway.



ICAP Proposals for the Federal and Provincial Budget 2020-21 can be viewed at:

<http://www.icap.net.pk/publications-articles>

The Committee is also planning a Post Budget Conference 2020 soon after the announcement of the Federal Budget, in collaboration with its Regional Committees, to apprise ICAP's membership in particular and other participants representing other professional bodies, media and public at large, about the salient features of the Budget 2020.

## ICAP Mentorship Program – Testimonials



“During the past one year, I had the pleasure of actively supporting The Institute of Chartered Accountants of Pakistan’s Mentorship Program by guiding four budding Chartered Accountants who were trying to navigate through their mid-career challenges vs. their career aspirations.

Firstly, the ICAP Mentorship Program is quite structured and gives a fair opportunity to both the parties to plan their interaction in a productive manner. For me, as a mentor, it was quite encouraging to see the desire to succeed in all the four mentees and their keenness to make the most out of the opportunity, and learn from my hard earned experience. For me, it was very motivating to unlock real life situations, each one different from the other, taking an aerial view and offering a workable solution to each individual. All in all, a great initiative by ICAP.”

– **M. Abdul Aleem, Secretary General, Overseas Investors Chamber of Commerce and Industry (OICCI)**

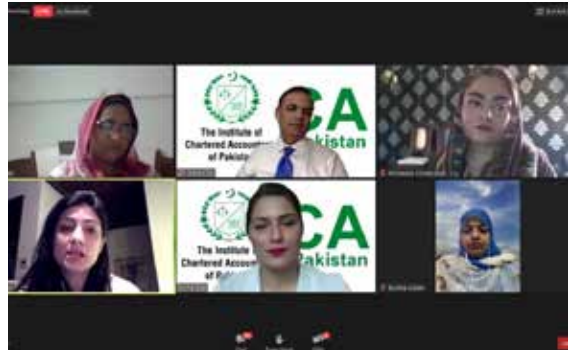


“Since the launch of the ICAP mentorship program, it has brought young professionals and seniors together, aiding their career development, which is beneficial for both the mentor and the mentees. I am honored to have been selected as a mentor in the ICAP mentorship program. This program was a great learning experience for me and gave me the opportunity to guide future young professionals in the field. It is so heartening to meet the bright young talent that exists within our industry.

To be able to play a small part in the overall success of someone’s career is so fulfilling. It was also an opportunity for me to understand the challenges and dreams of young professionals who needed guidance. This program is highly recommended to anyone within the industry who is interested in enhancing their knowledge and experience. I can say with confidence that this program is one of the most beneficial programs of ICAP.”

– **Dr. Abdul Hadi Shahid, Managing Partner, Allcott Management Consultancy, UAE**

## Webinar on Women Leadership Development Program



The CA Women’s Committee (CAWC) of The Institute of Chartered Accountants of Pakistan (ICAP) organized a webinar on **Women Leadership Development Program** in collaboration with Women on Board, for female members and students (articles completed), on May 12, 2020. The objective of this program was to provide an understanding about the legal, financial and regulatory matters as well as practical aspects involved in Board service. The program helped the participants in strengthening the knowledge of women professionals, of early to mid-career range, who have an ambition to become future Board/Corporate leaders.

Moneeza Usman Butt, Partner KPMG Taseer Hadi & Co. and member CA Women’s Committee, in her welcome address, shared that Securities and Exchange Commission of Pakistan (SECP) mandated the presence of female directors on board of listed companies. ICAP Women’s Committee being part of ICAP, which is a proactive organization, launched a directory of its female members who are eligible to be directors at Pakistan Stock Exchange (PSX) in Collaboration with PSX. ICAP Women’s Committee has also taken the initiative of holding training sessions for female Chartered Accountants as well as aspiring Chartered Accountants to help them broaden their knowledge of the corporate Board’s legal and practical structure so that they can become Board members and play an active role at the Board level.

Iftikhar Taj, Council Member ICAP, delivered a presentation on Corporate Boards and Governance. He emphasized that listening habit is very important as in the current scenario, we are conducting sessions through



webinars where only speakers/panelists can speak while participants have to listen; a poll was conducted to identify the listening habits of the participants. He elucidated the broader purpose of the Companies Act, 2017, relationship among shareholders, Board and management; Board composition in a listed company; election of directors, Board powers, Code of Corporate Governance (CCG), what should be the focus of the Board while taking decisions, what is the real challenge of any Board, how CCG helps in the governance of a company and structure of CCG.

Huma Ejaz, MD Swan Consultancy (Pvt.) Ltd., in her session, shared the knowledge of Finance, Taxation and Labor Relations with the participants. She explained the Financial Statements & Disclosures, Key Audit Matters (KAM), Internal Audit; Tax and Returns and Employees Old-Age Benefits Institution (EOBI), WWF, Industrial Relations.

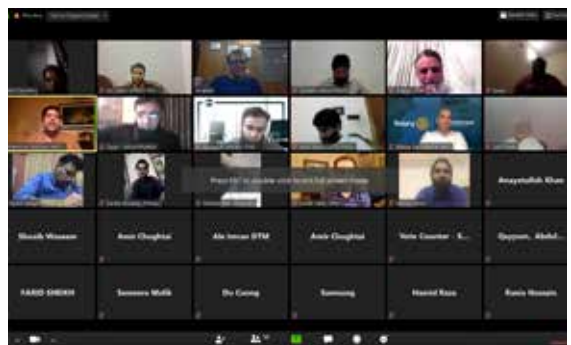
Mariam Baqir, CEO The Publicist, briefly explained the Board candidacy & fiduciary responsibilities. Through her presentation, she explicated the Board candidacy, corporate obligations, fiduciary role and liabilities, key fiduciary duties of directors, expectations from directors, emerging trends in fiduciary standards, building better Boards and Board evaluation.

Bushra Aslam, Executive Director SECP and member CA Women's Committee, in her closing remarks, shared that these sessions were planned earlier in March 2020 at Karachi, Lahore and Islamabad in the absence of COVID-19. When these were to be held in March 2020, lockdown began and as a substitute, this has been done through Zoom. She stated that these would be a regular feature in the coming months.

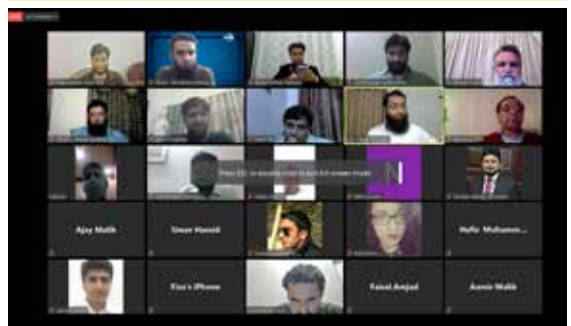
The participants appreciated the efforts of the speakers. The presentations were followed by Q&A sessions. Around 60 participants joined the session through Zoom while peak live views at Facebook were 77.

## CA Toastmasters Club, Lahore

Due to the outbreak of the Coronavirus pandemic, the Executive Committee of the CA Toastmasters Club, Lahore decided to hold the meetings of the club online. Meeting No. 191 of the CA Toastmasters Club, Lahore was held on April 4, 2020 through Zoom Online Application.



Meeting No. 191.



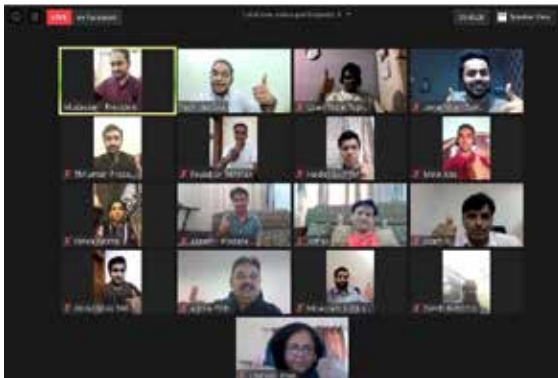
Meeting No. 192.

More than 30 participants joined the meeting including Toastmasters from India, Bangladesh and America. Toastmaster of the meeting and Presiding Officer was TM Ghulam Abbas while General Evaluator was TM Muhammad Asim. The roles of Grammarian, Timer, Ah-Counter and Vote Counter were performed by TM Annayatullah Khan, TM Adnan Khokhar, TM Asim Azhar and TM Saad Hassan respectively. In the Prepared Speeches session, four Toastmasters delivered their Prepared Speeches on different topics. The first project was delivered by TM Muhammad Safdar titled 'COVID 19 brief by Spokesperson of the Federal Govt.' which was evaluated by DTM Ale Imran. DTM Iftikhar Taj delivered on 'Work from home' which was evaluated by DTM Shoaib Ahmed Waseem. TM Zunair Zafar delivered his project titled 'Connect working' which was evaluated by DTM Shahid Jamal Kazi. TM Ghulam Abbas delivered on 'Managing a meeting' and was evaluated by TM Mudasser Ashfaq. The award for Best Prepared Speaker was won by DTM Iftikhar Taj and Best Evaluator was won by TM Shahid Jamal Kazi. The Thinking Practice session was conducted by Table Topic Master, TM Mustafa A Khan, who asked various members and guests to speak impromptu on different topics. The award of the Best Table Topic Speaker was won by TM Kashif Sehgal.

Meeting No. 192 of the CA Toastmaster Club, Lahore was held on April 8, 2020 through Zoom Online Application. Toastmaster of the meeting was TM Adnan Khokhar and Presiding Officer was TM Ghulam Abbas. General Evaluator was DTM Malik M Omair. The roles of Grammarian, Timer, Ah-Counter and Vote Counter were performed by TM Asim Azhar, TM Mudasser Ashfaq, TM Latif Ahmed Saqi and TM Muhammad Asim. In the Prepared Speeches session, two Toastmasters delivered their Prepared Speeches on different topics. The first speech was delivered by TM Amir Chughtai titled 'Coronavirus in Pakistan' which was evaluated by TM Sardar Muzamil. DTM Shahid J. Kazi delivered on 'Leaders Eat Last' and was evaluated by TM Rabia Khan. The award for the Best Evaluator was won by TM Rabia Khan. The Thinking Practice session was conducted by Table Topic Master, DTM Ale Imran, who asked various members and guests to speak impromptu on different topics. This session was evaluated by TM Abdul Wahab Khan.

The regular meetings of the CA Toastmaster Club are held on alternate Wednesdays of each month. Guests can also join in without any hesitation to witness the proceedings of the meetings.

## ICAP Toastmasters Club, Islamabad



Meeting No. 96.

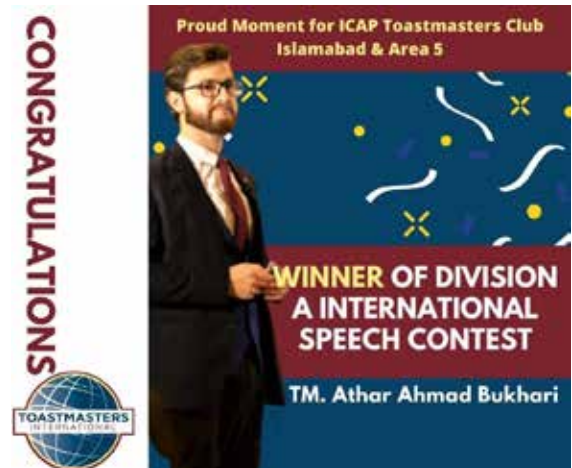
Given the current unprecedented times, ICAP Toastmasters Club, Islamabad increased the frequency of its online meetings. Instead of fortnightly meetings, weekly online meetings were conducted on every Thursday to improve the public speaking skills of the members and to communicate with Toastmasters around the world and learn from the versatile speaking skills while also maintaining the quality of the sessions.

All the meetings were streamed live on the ICAP Facebook page.

Five meetings were conducted on the following themes: Better late than never, Time Travel, Fragility, Turning obstacles into opportunities, How to update skillset in these times? All Toastmasters displayed full participation in the online meetings and took the most out of the online interactions with the members.

The winners for the Meeting No. 92, 93, 94, 95 and 96 were: Best Table Topic Speaker: DTM Malik Muhammad Omair, TM Saleha Sohail, TM Farwa Fatima, TM Jamal Ahmed, TM Farwa Fatima; Best Prepared speaker: TM Athar Ahmed, TM Zeeshan, TM Shahzad, TM Farwa Fatima, TM Azeem; Best Evaluator: TM Saleha Sohail, TM Mudassir Ghulam Nabi, TM Farwa Fatima, TM Aneel Peter, TM Jamal Ahmed; and Best of Big Three: TM Farwa Fatima & DTM Malik Muhammad Omair, TM Saleha Sohail, TM Bilal, TM Akhtar, TM Jahanzaib Amin.

## Division A Holds International Speech Contest



Division A held an international Speech Contest on April 22, 2020 where all the winners of the Area level contest participated from the division. From ICAP Toastmasters Club Islamabad TM Athar Ahmed won the Division A International Speech Contest with first position, competing against five other participants namely TM Ahsan Maqbool, TM Ahsan Tanveer, TM Farhan Ali, TM Mustafa Khan, TM Shawaz Baluch. He will also be representing ICAP Toastmasters Club in the District contest to be held in May. Kudos to TM Athar Ahmed for making us proud!



## overseas news

### Online CPD Event Organized by Canada Chapter

The Canada Chapter of ICAP Members organized an online event on **COVID-19: Impacts, Benefits announced & application guidelines issued by the Government of Canada** on April 18, 2020. Due to the recent widespread of COVID -19, the event was held online. The event was attended by more than 55 attendees.

The event started with an opening note by Muhammad Farooq Akhter, Secretary of the Chapter. He thanked all the participants for joining the event and showing interest in activities organized by the Chapter.

Farooq also thanked Ashfaq Yousuf Tola, ICAP Council Member and Chairman Overseas Coordination Committee (OCC) for taking out time and addressing the Chapter Members. Ashfaq Tola discussed the impact of COVID-19 on the profession and on Pakistan's Economy in general. He also presented the steps, which ICAP is taking or planning to take in helping members both within and outside Pakistan to cope with the situation. In his speech, Tola requested all the members to contact him if they need any information or assistance.

Farooq thanked Ashfaq Yousuf Tola and requested the speaker Mohammad Sharif Awan, Chairman of the Chapter, to start his presentation. Awan described the impacts of COVID-19 and the various benefits announced by the Government of Canada. He also explained how members and/or their organizations can take benefit from them. He discussed benefits including, but not limited to, Canada Emergency Response Benefit (CERB), Canada Emergency Wage Subsidy (CEWS), Canada Emergency Business Account (CEBA) and Support for Families in terms of increased GST and Canada Child Benefit payments. He also provided the detailed conditions and criteria for each benefit available and the mechanism to apply. There was active participation from all members and a number of interesting questions were raised by the attendees which were also responded by Awan.

Kashif, Joint Secretary of the Chapter, emphasized that the purpose of this session was to disseminate

information and members should exercise due care before applying for any benefit. At the end, Awan and Farooq thanked the participants for joining and making the event successful. Ashfaq Yousuf Tola also shared his gratitude on the active participation by the members of the Chapter and extended his best wishes to the participants in such challenging times.

### CPD Event Organized by Managing Committee of Canada Chapter

The Canada Chapter of ICAP Members organized an event on the topic **From Copying to Surviving to Thriving** on April 22, 2020.

The event was hosted online and received broad participation. There were around 65 attendees who attended the event.

Assad Abbas Khan, Vice Chairman of the Chapter's Managing Committee (MC) delivered his opening address and thanked all the participants for joining the event and showing interest in activities organized by the Chapter. He reiterated that everyone is unique, and hence, everyone should act as per their own situation. The event moderation was then taken over by Muhammad Farooq Akhter, Secretary of the Chapter. Akhtar invited Nazish, Senior Manager PWC Canada, to give her presentation. It was a 90 minutes virtual session with one on one interaction with the participants, attendees asking questions and sharing their experiences. Nazish discussed various aspects of how to create balance amidst the current crisis situation. She listed four ways to ease stress and increase energy levels. Nazish also helped the participants in determining their boundaries, setting limits to prevent overworking and identifying the benefits of building trust and relationships. The speaker with her opinion also answered all the queries raised by the participants on the subject.

The session was thoroughly enjoyed by the members and the presenter. At the end, Farooq again thanked all the participants for joining the event.

 member news

## New Fellow/Associate Members

The Institute welcomes the following fellows and associate members:

### Fellow Members

S. No.	R-No.	Name
1.	1898	Aamer Haleem Quadri
2.	2322	Abdul Haleem Sheikh
3.	3328	Asif Zubair
4.	4261	Raja Farrukh Abrar
5.	4262	Imran
6.	4263	Muhammad Zeeshan Shaikh
7.	4596	Farrukh Touheed
8.	4622	Muhammad Ahsan Farooqui
9.	4760	Ali Hassan
10.	4789	Muhammad Jawaid
11.	4870	Aziz Saifuddin
12.	4873	Syed Taqi Abbas
13.	4992	Samin Ud Din Khan
14.	5031	Amir Rashid
15.	5285	Salman Anwar
16.	5293	Waqas Bin Ishaq
17.	5301	Osman Asghar Khan
18.	5315	Mohammed Taha Noor
19.	5337	Muhammad Faisal Khan
20.	5412	Syed Azam Ali Shah
21.	5458	Kamran Ali
22.	5607	Server Shamim
23.	5611	Muhammad Khurram Saeed
24.	5667	Muhammad Anas Amanullah
25.	5680	Huzaif Hanif Tola
26.	5707	Sultan Sheraz Qasim
27.	5713	Zohaib Zubair
28.	5749	Shahid Anwar Shah
29.	5777	Muzammil Hassan Farhan
30.	5831	Ovais Akhtar Hussain
31.	5843	Sarfraz Ahmed Khan
32.	5890	Sadia Yasmin
33.	5895	Zehra
34.	5960	Shiraz Sharif
35.	5963	Abdul Waheed
36.	5974	Mujahid Fareed
37.	5981	Yasir Rizwan
38.	5986	Adeel Iqbal
39.	5996	Nadeem Ahmad
40.	6006	Syed Nabeel Ahmad
41.	6012	Rasikh Usman Atta Ul Haq
42.	6016	Muhammad Fahad Arzani
43.	6018	Haroon Rauf
44.	6024	Salman Jalaluddin Virani

## This is ME!!!



The campaign “**This is me**” is simply putting a face to your name in the member directory on ICAP’s web page. As we all know this lockdown

has made us reassess many aspects of our lives, building stronger human connections is surely one of them. To build stronger connections while maintaining social distancing, we are starting the campaign ‘A Picture says a lot’. All you need to do is upload your picture from your members’ secured portal, guidelines have already been circulated through email dated April 17, 2020 with the subject ‘**Let’s connect - Building human connections in COVID-19**’ and can be viewed on our web page with the name **This is ME**.

45.	6034	Muhammad Arslan Zafar Hashmi
46.	6038	Yasir Ahmad Hashmi
47.	6041	Zohaib Ahmed
48.	6055	Munira Muhammadi Stationers
49.	6060	Sameer Ahmed Khan
50.	6071	Jibran Junejo
51.	7290	Muhammad Mudasser

### Associate Members

S. No.	R-No.	Name
1.	10739	Jaweria Momtaz
2.	10740	Anum Ihsan
3.	10741	Noor Ul Ain
4.	10742	Muhammad Ahmer
5.	10743	Mubeen Misbah
6.	10744	Saud Salman
7.	10745	Asif
8.	10746	Mehak Mansoor
9.	10747	Kinza Anjum

## Deceased Members

The Institute mourns the sad demise of following members:

S. No.	R-No.	Name
1.	0228	Mirza Hyder Hussain Baig
2.	2306	Amir Hussain

## technical update

### Update:

## ICAP

### **ICAP issues publication 'Preparation of Financial Statements under the COVID-19 Circumstances':**

The Institute of Chartered Accountants of Pakistan (ICAP) vide Circular No. 4/2020 (dated April 23, 2020) has issued the publication 'Preparation of Financial Statements under the COVID-19 Circumstances' to facilitate members in identifying and responding to key accounting implications and preparing financial statements in current COVID-19 impacted environment.

The publication covers the following key areas:

- Answers to over 55 questions on key significant financial reporting areas impacted due to COVID-19;
- Snapshot of industry specific accounting and reporting impact; and
- Lists down the financial reporting regulatory reliefs granted by Securities and Exchange Commission of Pakistan (SECP) and State Bank of Pakistan (SBP) to dampen the adverse impacts of COVID-19.

Publication can be accessed on following link:

<http://www.icap.net.pk/wp-content/uploads/2020/04/CircularNo4-2020.pdf>

<http://www.icap.net.pk/wp-content/uploads/2020/04/Preparation-of-Financial-Statements-under-the-COVID-19-Circumstances.pdf>

## Local Corporate Regulatory Framework

### **SECP issues circular for relaxation from certain requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 due to COVID-19:**

SECP vide Circular No. 16 of 2020 (dated April 21, 2020) due to COVID-19 pandemic allows Non-Banking Finance Companies (NBFCs) following relaxations:

- Time period for submission of quarterly financial statements of open and closed end scheme for the quarter ended March 31, 2020 extended by 30 days i.e. May 31, 2020; and
- Time to ensure compliance with minimum fund size requirement for current non-compliant open end

scheme increased to 180 days and for open end schemes which may become non-compliant within 90 days of issuance of this circular.

Circular can be accessed on following link:

<https://www.secp.gov.pk/document/circular-no-16-of-2020-relaxations-from-certain-provisions-of-nbfc-regulations-2008/?wpdmdl=39123&refresh=5eb97bf39584f1589214195>

### **SECP issues circular for regulatory relief to dilute impact of Coronavirus (COVID-19):**

SECP vide Circular No. 18 of 2020 (dated April 27, 2020) due to recent outbreak of COVID-19 allowed all Regulated Persons facing difficulties in filing of Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) quarterly information prescribed under Directive 55(1)/2020 (dated January 28, 2020) 30 days extension in submission of information for period ended March 31, 2020.

Now, submission of quarterly information is being extended from April 30, 2020 till May 31, 2020 for the quarter ended March 31, 2020 only.

Circular can be accessed on following link:

<https://www.secp.gov.pk/document/circular-no-18-of-2020-regulatory-relief-to-dilute-impact-of-covid-19/?wpdmdl=39161&refresh=5eb97bf3935e01589214195>

### **SECP issues amendments to the Securities Brokers (Licensing and Operations) Regulations, 2016:**

SECP vide S.R.O. 342 (I)/2020 (dated April 27, 2020) issued the amendments to the Securities Brokers (Licensing and Operations) Regulations, 2016, the draft has also been previously published in the official Gazette vide S.R.O. No. 267(I)/2020 (dated March 30, 2020).

The amendments mainly include the following:

- till the time a professional clearing member is available, the trading only brokers shall be allowed to keep custody, and settle trades of their customers;
- the minimum net worth requirement for Trading and Self Clearing category reduced from 75 million to 50 million;
- the minimum net worth requirement for "trading and self-clearing" category shall be increased to Rs.

60 million with effect from October 1, 2021, and shall be further increased to Rs. 75 million with effect from October 1, 2022;

- in case of a trading and self-clearing broker, which does not obtain Broker Fiduciary Rating, the limit of assets under custody shall be 15 times of its net worth, and the assets under custody shall not include proprietary assets and the assets owned by its sponsors, directors and their close relatives;
- statement of net capital balance shall be reviewed by statutory auditor of securities broker in the manner specified as on close of second quarter of its year of accounts;
- the securities broker shall be required to submit statement of liquid capital reviewed by the statutory auditor of the securities broker in the manner specified as on close of second quarter of its year of accounts; and
- in regulation 7 sub-regulation (4) clause (a) and (b) shall be omitted.

S.R.O can be accessed on following link:

<https://www.secp.gov.pk/document/sro-342-i-2020-amendments-to-the-securities-brokers-licensing-and-operations-regulations-/?wpdmdl=39181&refresh=5eb97b98d5f121589214104>

**SECP issues draft of the Corporate Insurance Agents Regulations, 2020:** SECP vide S.R.O. 343 (I)/2020 (dated April 28, 2020) issued the draft of the Corporate Insurance Agents Regulations, 2020 for information of all persons likely to be affected by the regulation. The draft regulation mainly covers the following:

- arrangements between insurers and corporate insurance agents;
- code of conduct for corporate insurance agent, insurer and specified persons;
- limit on the commission payable to corporate insurance agent;
- training and development;
- promoting digitalization;
- suitable insurance product mix; and
- regulatory reporting of business with corporate insurance agents.

These Regulations shall be applicable by January 1, 2021.

Draft regulation can be accessed on following link:

<https://www.secp.gov.pk/document/sro-343-i-2020-draft-corporate-insurance-agents-regulations-2020/?wpdmdl=39182&refresh=5eb97b98d39201589214104>

**SECP issues draft amendments to the Collateral Management Companies Regulations, 2019:** SECP vide S.R.O. 347 (I)/2020 (dated April 28, 2020) issued the draft amendments to the Collateral Management Companies Regulations, 2019 for information of all persons likely to be affected by the regulation. The draft amendments mainly propose the following:

- Substitution of few definitions such as Collateral Management Company, Depositor of Produce, Electronic Warehouse Receipt; Physical Warehouse Receipt;
- Omission of Definition of Eligible pledge;
- Insertion of new regulations such as 6A. Collateral Management Company's Power to Inspect and 13A. Goods Receiving Note;
- Omission of regulation 17; and
- In addition to above some amendments have also been proposed under Regulation 6, 7, 9, 11, 12, 14, 15, 18, 19, 21, 22 and 23.

Draft amendment can be accessed on following link:

<https://www.secp.gov.pk/document/s-r-o-347-i-2020-draft-amendments-to-collateral-management-companies-regulations-2019/?wpdmdl=39187&refresh=5eb97b98d14901589214104>

**SECP issues draft amendments to the Credit and Suretyship (Conduct of Business) Rules, 2018:** SECP vide S.R.O. 345 (I)/2020 (dated April 28, 2020) issued the following draft amendments in sub-rule 2 of Rule 4 of the Credit and Suretyship (Conduct of Business) Rules, 2018:

- for the figure '80', the figure '10' shall be substituted; and
- the words "less reinsurance in respect of a particular guarantee/bond" shall be omitted.

S.R.O can be accessed on following link:

<https://www.secp.gov.pk/document/sro-345-i-2020-draft-amendments-to-credit-and-suretyship-conduct-of-business-rules-2018/>

**SECP issues Secured Transactions Registry Regulations, 2020:** SECP vide S.R.O. 348 (I)/2020 (dated April 30, 2020) issued the regulation namely Secured Transactions Registry Regulations, 2020. The regulation mainly covers the following:

- purpose and establishment of user accounts;
- structure and content of user accounts;
- filing of financing, modification and termination statements;

- searches of the register;
- request to the secured creditor or registrar to file a modification or termination statement;
- operating hours, fees and liability; and
- notices to secured creditors

S.R.O can be accessed on following link:

<https://www.secp.gov.pk/document/sro-348-i-2020-secured-transactions-registry-regulations-2020/?wpdmdl=39201&refresh=5eb97b98c88821589214104>

### **SECP issues notification to withdraw SRO 924(I)/2015**

– **Jamapunji:** SECP vide S.R.O. 346 (I)/2020 (dated April 29, 2020) withdrawn its earlier notification S.R.O. 924(I)/2015 (dated 9th September, 2015) which requires listed companies to incorporate the information message on “Jamapunji” as mentioned in said S.R.O while issuing annual accounts.

S.R.O can be accessed on following link:

<https://www.secp.gov.pk/document/sro-924-jamapunji/?wpdmdl=12591&refresh=5eb97ba26e5531589214114>

### **Amendment in Companies Act, 2017 through Companies (Amendment) Ordinance, 2020:**

Honorable President of Pakistan through Companies (Amendment) Ordinance, 2020, has approved certain amendments to Companies Act, 2017, on April 30, 2020. These amendments were proposed by SECP to promote ease of doing business, encourage startups, improve protection of minority shareholders and remove some anomalies noted in the provisions of the Act.

Highlights of the amendments are as follows:

- Definition of startup companies added and also to encourage startups, employee stock option and shares-buyback options have been enabled for all companies instead of only public and listed companies.
- Provisions relating to the mandatory requirement for common seal have been omitted;
- The condition of payment of subscription money within 30 days of subscriber incorporation and filing of auditor certification has been waived to assist small companies;
- A listed company with the commissioner’s approval can hold an extraordinary general meeting at a shorter notice.
- Voting power threshold for notice of resolution by members is reduced to 5% from 10%;
- Relaxation available to companies for not filing

annual return with the registrar in case of no change of particulars from previous return filed have been waived;

- CEO shall now be appointed by board of directors in all companies;
- The requirement which mandated a private company having a paid-up capital not exceeding 1 million rupees, to accompany an affidavit with the financial statements, regarding its approval by the Board, has been omitted;
- Manual filing of quarterly accounts with the Registrar have been allowed;
- Filing of unaudited financial statements by private companies not being a subsidiary of public company having paid up capital not exceeding 1 million have been omitted;
- The process of dealing with unclaimed dividends has also been revised i.e. now unpaid dividend account shall be maintained by companies and any markup accrued on such account shall be used by companies for corporate social responsibility initiatives.;
- Provision relates to real estate companies and inactive active companies have been omitted.
- Ineligibility criteria to become a director has been extended to include: person who is engaged in the business of brokerage securities/futures market; or is a spouse of such person or is a sponsor, director or officer of such brokerage house.
- Protection to independent and non-executive directors of a listed or a public sector company for acts of omission or commission which occurred without his knowledge has been removed.
- Power of Government to nominate chief executive of a public sector company has been removed.
- Removal of imprisonments with penalty under various provision;
- Provision related to maintaining Mediation and Conciliation Panel by the Commission has been removed.
- Provisions related to Establishment of Investor Education and Awareness Fund have been removed.
- Power of compromise and scheme of amalgamation vested with the Commission reverted to the court; and
- The monetary limit has been enhanced for cost and management accountants to conduct statutory audit of private companies having paid-up capital up to Rs. 10 million.

Companies Act, 2017 including amendments made through Companies (Amendment) Ordinance, 2020 in track changes can be accessed on following link: <https://www.secp.gov.pk/document/companies-act-2017-including-amendments-made-through-companies-amendment-ordinance-2020-in-track-change/>

**SECP issues circular for Extension in time for Renewal of Licenses due to COVID-19:** SECP vide Circular NO. 19 of 2020 (dated May 15, 2020) to facilitate the shareholders/directors/employees due to COVID-19 issued following guidelines regarding renewal of their licence:

- Companies whose license were due for renewal before the month of February 2020, and have not applied for renewal, their license shall be revoked in accordance with the provisions of section 42(5) of the Companies Act, 2017;
- Companies whose license have been expired in the months of February, March, April and May 2020 but have not applied for its renewal shall continue to carry on their business and their license shall not be revoked till June 30, 2020;
- Companies, which have applied for renewal of their license either before or after February 01, 2020 and certain deficiencies were also communicated to them, are required to respond to the queries latest by May 30, 2020, failing which their license shall be revoked.

Circular can be accessed on following link: <https://www.secp.gov.pk/document/circular-no-19-of-2020-extension-in-time-for-renewal-of-licenses-due-to-covid-19/?wpdmdl=39294&refresh=5ec241be712f41589789118>

**SECP issues Relief to companies from certain IAS 39 requirements:** SECP vide S.R.O. 414 (I)/2020 (dated May 11, 2020) allowed the companies that are applying International Accounting Standard (IAS) 39 following relief from the requirements contained in IAS 39 in relation to their Available for Sale (AFS) Equity Investments:

- The company can opt to show impairment loss (if any, due to significant or prolonged decline in fair value of Available for Sale (AFS) equity investment portfolio), as at March 31, 2020, in the statement of changes in equity;
- The company opting the relief shall disclose in the notes to the financial statements:

- amount of impairment loss included in the statement of changes in equity; and
- amount of profit or loss after tax and earning per share, arrived at by accounting for the impact of impairment loss in accordance with IAS 39.
- The dividend income and actual realized gain/loss arising from the de-recognition of AFS equity instruments shall be recognized in the profit and loss account in accordance with the requirements of IAS 39;
- The amount of loss taken to equity as mentioned above, shall be treated as a charge to profit and loss account for the purpose of distribution as dividend, where applicable.
- The amount taken to equity as per above for an AFS equity instrument, adjusted with the fair value change of this AFS equity instrument during the period from April 01, 2020 to June 30, 2020, shall be considered for impairment in accordance with the requirements of IAS 39.
- The impairment loss (if any), as of June 30, 2020, shall be taken to the profit and loss account for the year/period ending June 30, 2020.

S.R.O can be accessed on following link: <https://www.secp.gov.pk/document/sro-414-i-2020-relief-to-companies-entities-ias-39/?wpdmdl=39269&refresh=5ec21816a472c1589778454>

**SBP issues Guidelines for Implementation of Regulatory Relief to Dampen the Effects of COVID-19:** SECP vide IBD Circular Letter No. 02 of 2020 (dated April 23, 2020) issued following guidelines to facilitate the customers of Islamic Banking Institutions (IBIs) and smooth implementation of regulatory reliefs provided on March 26, 2020 by revising the prudential regulations related to deferment of principal or rescheduling/restructuring of financing facilities:

- While deferring the principal amount or rescheduling/restructuring of different Islamic financing products, IBIs may refer to Appendix-A enclosed in the circular for major mode wise general principles;
- Appendix-A may not necessarily cover all products offered by IBIs. Therefore, IBIs may reschedule/restructure such Islamic financing products as per their approved financing policy; and
- IBIs shall ensure that all products/arrangements/documents/agreements, etc. for are approved by their respective Shariah Boards.

Circular can be accessed on following link: <http://www.sbp.org.pk/ibd/2020/CL2.htm>



## Financial Reporting

**IASB proposes amendments to IFRS16 ‘Leases’ due to COVID-19-related rent concessions:** International Accounting Standards Board (IASB) on April 24, 2020 has proposed to amend International Financial Reporting Standards (IFRS) 16 Leases with the objective to make it easier for lessees to account for COVID-19-related rent concessions such as rent holidays and temporary rent reductions.

The proposed amendment would exempt lessees from considering whether particular COVID-19-related rent concessions are lease modifications, allowing them to account for these changes as if they were not lease modifications. The amendment would apply to covid-19-related rent concessions that reduce lease payments due in 2020.

Further details can be accessed on following link <https://www.ifrs.org/news-and-events/2020/04/amendment-to-leases-standard-to-help-companies-with-covid-19-related-rent-concessions/>

**Publication of IFRS 17 podcast on April 2020 IAS meeting:** The IASB on April 27, 2020 published podcast covering the April 2020 Board meeting’s discussion on the Amendments to IFRS 17 Insurance Contracts project.

Podcast can be accessed on following link: <https://www.ifrs.org/news-and-events/2020/04/ifrs-17-podcast-on-april-2020-iasb-meeting-now-available/>

**IASB published April 2020 meeting updates:** IASB on April 24, 2020 published the discussions held on April 21-23, 2020 Board meeting. The following topics were discussed in the meeting:

- Amendments to IFRS 17 Insurance Contracts;
- Financial Instruments with Characteristics of Equity;
- Post-implementation Reviews of IFRS 10, IFRS 11 and IFRS 12;
- Maintenance and consistent application;
- Management Commentary;
- Review of the IFRS for SMEs Standard; and
- Disclosure Initiative—Subsidiaries that are SMEs.

Further details can be accessed on following link: <https://www.ifrs.org/news-and-events/2020/04/april-2020-iasb-update-available/>

**IASB proposes deferring of effective date of amendments to IAS 1 “Presentation of Financial Statements”:** IASB on May 04, 2020 in response to the COVID-19 pandemic has proposed to defer the effective date of Classification of Liabilities as Current or Non-current, which amends IAS 1 “Presentation of Financial Statements” by one year i.e. defer the effective date from for annual reporting periods beginning on or after January 1, 2022 to annual reporting periods beginning on or after January 1, 2023.

The deadline to comment on Exposure draft related to proposed deferral is June 03, 2020.

Further details can be accessed on following link: <https://www.ifrs.org/news-and-events/2020/05/classification-of-liabilities-deferral-exposure-draft/>  
**IFRIC April 2020 meeting updates**

International Financial Reporting Interpretations Committee (IFRIC) on May 06, 2020 published the updates on April 2020 meeting. The topics discussed at the April meeting were:

- Supply Chain Financing Arrangements—Reverse Factoring;
- Multiple Tax Consequences of Recovering an Asset (IAS 12 Income Taxes); and
- Committee work in progress

Further details can be accessed on following link: <https://www.ifrs.org/news-and-events/2020/05/april-2020-ific-update-available/>

### IASB issues amendments to IFRS standards

IASB on May 14, 2020 issued several small amendments to IFRS Standards which are effective from January 01, 2022.

The amendments relate to the following:

- Amendments to IFRS 3 Business Combinations update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations;
- Amendments to IAS 16 Property, Plant and Equipment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss;
- Amendments to IAS 37 Provisions, Contingent

Liabilities and Contingent Assets specify which costs a company includes when assessing whether a contract will be loss-making; and

- Annual Improvements make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

Further details can be accessed on following link:

<https://www.ifrs.org/news-and-events/2020/05/iasb-issues-package-of-narrow-scope-amendments-to-ifrs-standards/>

### **IASB releases second webcast on IFRS for SMEs review**

IASB on May 14, 2020 published second webcast on Comprehensive Review of the IFRS for SMEs Standard. Webcast offers a 20-minute presentation that looks at how the Board approached the second comprehensive review.

Webcast can be accessed on following link:

<https://www.ifrs.org/news-and-events/2020/05/iasb-releases-second-webcast-on-request-for-information/>

## **Audit and Ethics**

### **IAASB proposed International Standard on Auditing 600 (Revised), Special Considerations—Audits of Group Financial Statements:**

International Auditing and Assurance Standards Board (IAASB) on April 27, 2020 released the exposure draft of proposed International Standard on Auditing (ISA) 600 (Revised), Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors). The proposed standard includes the following:

- Clarification on the scope and applicability of the standard;
- Emphasizes the importance of exercising professional skepticism throughout the group audit;
- Clarifies and reinforces that all ISAs need to be applied in a group audit through establishing stronger linkages to the other ISAs, in particular to proposed ISA 220 (Revised), ISA 315 (Revised 2019) and ISA 330;
- Reinforces the need for robust communication and interactions between the group engagement team, group engagement partner and component auditors;
- New guidance on testing common controls and controls related to centralized activities;
- Enhanced guidance on how to address restrictions on access to people and information; and

- Enhances special considerations in other areas of a group audit, including materiality and documentation.

The exposure draft of proposed ISA 600 (Revised) is open for public comment until October 2, 2020.

Further details can be accessed on following link:

<https://www.iaasb.org/news-events/2020-04/iaasb-proposes-modernization-group-audits-standard-support-audit-quality>

**IAASB publishes “Guidance On Auditor Considerations Relating to Going Concern and Subsequent Events”:** IAASB on April 29, 2020 and May 15, 2020 published guidance on auditor considerations relating to going concern and subsequent event respectively in light of changing environment due to the COVID-19 pandemic.

Guidances can be accessed on following link:

<https://www.iaasb.org/news-events/2020-04/iaasb-publishes-guidance-auditor-considerations-relating-going-concern-light-changing-environment>  
<https://www.iaasb.org/news-events/2020-05/iaasb-publishes-covid-19-related-guidance-audit-considerations-subsequent-events>  
<https://www.iaasb.org/news-events/2020-04/iaasb-publishes-guidance-auditor-considerations-relating-going-concern-light-changing-environment>  
<https://www.iaasb.org/news-events/2020-05/iaasb-publishes-covid-19-related-guidance-audit-considerations-subsequent-events>

### **IPSASB extends comment period on Exposure Drafts addressing Revenue & Transfer Expenses:**

International Public Sector Accounting Standards Board (IPSASB) on April 20, 2020 due to challenges faced by stakeholders as a result of the COVID-19 pandemic extended the comment period on following Exposure Drafts (ED's) to November 01, 2020:

- Exposure Draft 70: Revenue with Performance Obligations
- Exposure Draft 71: Revenue without Performance Obligations
- Exposure Draft 72: Transfer Expenses

Further details can be accessed on following link:

<https://www.ipsasb.org/news-events/2020-04/ipsasb-extends-comment-period-exposure-drafts-addressing-revenue-transfer-expenses>

 HR news

## Digital Transformation Is About Talent, Not Technology



Digital transformation is less about technology and more about people. You can practically purchase any technology, but your ability to adapt to an even more digital future relies upon developing the next generation of skills.

We can prepare for that eventually in the following ways:

**Put people first:** Technology is consistently about accomplishing more with less, yet that combination is effective only if you pair technology with the right human skills. Similarly, as technological disruption has generally led to automation and the elimination of outdated jobs, it has also always created new jobs. This is why innovation is commonly described as creative destruction. But the creative aspect of innovation is entirely dependent on people.

**Focus on soft skills:** Just as digital transformation is more about people rather than technology; the key technological skills are soft skills rather than hard skills. The most ideal approach to make your organization more data-centric and digital is to selectively invest in those who are most adaptable, curious, and flexible in the first place. Since nobody knows what the key

future hard skills will be, the best action is to bet on the people who are most likely to develop them.

**Drive change from the top:** Change is substantially more likely to happen if you drive it from the top down. This does not mean that you have to embrace an autocratic or hierarchical structure, or that you need a culture of fear. In fact, it is a simple matter of leadership, whether transactional or transformational. In the context of digital transformations, the main implication is that you cannot expect big changes or upgrades to your organization unless you start by selecting and developing your top leaders in that streak to begin with.

**If you can't fail fast, make sure you succeed slowly:** The statements that speed is king, that action is key, that perfect is the enemy of good, and that you should be willing and eager to fail fast, have all become clichés in management thinking. But, the only way to adapt to a constantly changing and rapidly disrupted present is to speed up and operate at pace.

As the last several weeks have illustrated, we are agile as a worldwide network. This agility has been human-driven and technology-supported. Human beings are the shared factor to the concept of future proofing, whether it is as a complement to the technology being unleashed for remote working, or whether it is because we possess the soft skills and leadership needed to navigate a historic crisis, or because we have the insights needed to drive slow success or fast failure for a cure. It all starts with each and every one of us, and those we are responsible for developing. The key is to sustain curiosity, so we have alternatives, even outside of a crisis.

Source: HBR, May 2020

### Quote

"Success is liking yourself, liking what you do, and liking how you do it." – Maya Angelou, American poet, singer, memoirist, and civil rights activist.

### Welcome on Board

The Institute of Chartered Accountants of Pakistan's (ICAP) Human Resource department welcomes the

following new employees during the month of May 2020:

- Raheel Rehman,  
Deputy Director, Anti Money Laundering, Karachi
- Muhammad Farhan,  
Deputy Director, Head of Human Resources,  
Karachi

## Welcome New Members



The Membership department has fully automated the processing of new membership applications from winter 2019 attempt. This is our first step towards a paperless environment and improving our service to Members.

COVID-19 has impacted all business and lives globally, however as a testament to our commitment, we strived to ensure completion of the process and members were communicated their membership registration number.

We welcome the new members to the CA Pakistan Fraternity and wish them a life-long association with ICAP. May you continue to make constant endeavor in the profession of accountancy with vigor and zeal.



## student section

### Examination News

#### Certificate in Accounting and Finance Stage Examinations

The result of Certificate in Accounting and Finance (CAF) Examinations, Spring 2020, was announced on May 12, 2020. 1,164 (48.5%) students passed the CAF stage as compared to 836 (37.3%) students in the previous session.



#### Award of Gold Medals

**Muhammad Safi Ullah Javaid** (CRN 107550) s/o Muhammad Javaid Khan has been awarded:



- (i) ICAP Gold Medal (Ameena Khatib Foundation) for his outstanding performance in the subject of Financial Accounting & Reporting II of CAF Examination; and
- (ii) ICAP Kasbati Memorial Gold Medal for his outstanding performance in CAF Examination.

#### Muhammad Talha Nadeem

(CRN 109485) s/o Shahid Nadeem has been awarded ICAP Ishfaq Ahmed Gold Medal for his outstanding performance in the subject of Audit & Assurance of CAF Examination.



### Award of Merit Certificates

Merit Certificates have been awarded to the following students:

- **Zarnaab Nadeem** (CRN. 114099) d/o Nadeem Ehsan for her outstanding performance in the subject of Introduction to Accounting of CAF Examination.
- **Muhammad Ahsen Ejaz** (CRN. 092649) s/o Ejaz Ahmad for his outstanding performance in the subject of Introduction to Economics and Finance of CAF Examination.
- **Javeria Anis** (CRN. 106178) d/o Muhammad Anis for her outstanding performance in the subject of Business Law of CAF Examination.
- **Asad Ali** (CRN. 109221) s/o Muhammad Hussain for his outstanding performance in the subject of Business Management & Behavioural Studies of CAF Examination.
- **Ahmed Mubarak Janjua** (CRN. 114553) s/o Mubarak Ali for his outstanding performance in the subject of Financial Accounting & Reporting-I of CAF Examination.
- **Rana Hamza Noor** (CRN. 108005) s/o Muhammad Idrees Khan for his outstanding performance in the subject of Principles of Taxation of CAF Examination.
- **Muhammad Talha Nadeem** (CRN. 109485) s/o Shahid Nadeem for his outstanding performance in the subject of Cost and Management Accounting of CAF Examination.