



The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN

ICAP

WORLD

March 2024 - Newsletter

Inside

1 Meets & Events 01

* ICAP Marks Digital Milestone with SAP Integration: A New Era of Efficiency and Innovation Begins	..... 01
* Empowering Excellence: Celebrating CA Women's Day 2024"	..... 02
* CASA South hosted the Webinar, 'Beyond the Balance Sheets: Building a Healthy Mindset'	..... 03
* CASA – South Leadership: Management Committee Elections 2024-25	..... 03
* Rapid Innovation (Pvt) Ltd Becomes Approved Training Organisation outside Practice (TOoP) of ICAP	..... 04
* Hub Power Company Ltd Becomes Approved Training Organisation Outside Practice (TOoP) for ICAP	..... 04
* Masterclass on Sustainability Reporting Standards and Global Best Practices	..... 05
* Awareness Session on eZfile and Companies Regulations, 2024	..... 06
* The Application of Generative AI in Finance & Accounting Domain: A Hands-on Training Workshop	..... 07
* I-Thrive- Promoting Inclusivity with Boltay Hurroof	..... 07
* Synergizing Success: Empowering Team Dynamics with ICAP's In-House Training Session	..... 08

2 CA Women News 09

3 Overseas News 11

4 Member News 13

5 Technical Update 17

6 HR News. 25

7 Student Outreach 26



Chartered Accountants Avenue Clifton,
Karachi-75600 (Pakistan).



(021) 111-000-422



Publications@icap.org.pk



www.icap.org.pk



ICAP Marks Digital Milestone with SAP Integration:

A New Era of Efficiency and Innovation Begins

On March 27, 2024, the Institute of Chartered Accountants of Pakistan (ICAP) embarked on a transformative journey by integrating SAP into its training and membership processes, marking a significant milestone in its 63-year history. This achievement was swiftly followed by a historic moment as seven students from Lahore submitted their joining reports to their Training Organizations (TOs) online via ICAP's portal, with two of them receiving TOs' consent for joining on the same day. This pivotal event signifies a new era in ICAP's digital transformation. The SAP GO-LIVE initiative was inaugurated on April 2, 2024, by Mr. Farrukh Rehman, President of ICAP, and Mr. Samiullah Siddiqui, Council Member of ICAP, further solidifying the ICAP's commitment to innovation and efficiency.

Continuing to lead the way in embracing digital advancements, ICAP looks forward to a future of enhanced efficiency and effectiveness in serving its members and stakeholders. With SAP now integrated into its core operations, ICAP remains poised to navigate the complexities of the modern business landscape with agility and resilience.



Empowering Excellence:

Celebrating CA Women's Day 2024

On March 7, 2024, the CA Women Committee of ICAP hosted the CA Women's Day Celebrations 2024, a hybrid event conducted both in-person at ICAP Karachi and virtually via Zoom for remote attendees. The event echoed the theme of the United Nations, 'Invest in Women: Accelerate Progress', shining a spotlight on women's crucial contributions to the field of Chartered Accountancy. In her welcoming remarks, Ms. Hina Usmani, Chairperson of the CA Women Committee of ICAP, underscored the committee's unwavering dedication to acknowledging and celebrating women's achievements. She emphasized the importance of fostering an inclusive environment and empowering women to excel in their professional pursuits. Ms. Khursheed Kotwal, Vice President of ICAP, highlighted the imperative of diversity and inclusivity in her address, emphasizing their transformative impact on

organizational culture and performance. Mr. Ashfaq Yousuf Tola, Vice President of SAFA, emphasized the need for collaborative efforts to bolster women's representation, advocating for inclusive strategies that amplify their voices and contributions across all spheres. The winners of the SAFA Women Leadership Awards 2024 were acknowledged and celebrated for their exceptional achievements, highlighting their remarkable contributions to their respective fields and underscoring their role as inspirational leaders. In his closing address, Mr. Asad Feroze, Council Member of ICAP, extended his gratitude for the collective support in advancing women's representation. The 'CA Women's Day Celebrations 2024' exemplified women's resilience in chartered accountancy, highlighting the ongoing collaboration for progress and inclusivity.

CASA South hosted the Webinar

Beyond the Balance Sheets: Building a Healthy Mindset

CASA South recently hosted the webinar 'Beyond the Balance Sheets: Building a Healthy Mindset,' addressing the challenges encountered by CA students in maintaining mental well-being amidst their rigorous academic pursuits. The session aimed to instill a positive mindset to empower students both academically and personally.

Mr. Abdul Hadi, a member of CASA South, underscored the importance of mental health discussions in light of the significant challenges faced by CA students in his opening remarks. The event featured Ms. Hafsa Tahir, a Multimedia Journalist at GEO News and a Master in Clinical Psychology, who served as the mentor.

Ms. Hafsa explored stress management techniques, work-life balance, and social challenges, offering practical insights tailored to students' daily lives. The session also included a discussion where experienced members shared strategies for balancing articleship training and studies, offering invaluable inspiration and guidance. Concluding with an interactive Q & A segment, the webinar highlighted the importance of prioritizing mental well-being in education and advocated for a holistic approach to student support, equipping them with essential tools for academic and professional success.

CASA – South Leadership: Management Committee Elections 2024-25



The 2024-25 elections for the Chartered Accountants Students' Association – South Management Committee were held on March 20, 2024, led by Mr. Khurram Jameel, Chairman of the Election Committee, along with Mr. Shaikh Ahmed Salman, Chairman of CASA-South, and committee members Mr. Usama Rashid and Mr. Sajid Kapadia. Twelve candidates from leading firms, including A.F. Ferguson & Co., KPMG Taseer Hadi & Co., Yousuf Adil Chartered Accountants, BDO Ebrahim & Co., Grant Thornton Anjum Rahman, and Rahman Sarfaraz Rahim Iqbal Rafiq & Co., contested the election. Mr. Rohet Kumar was elected as General Secretary, Mr. Hudaib Wasi as Treasurer, and Ms. Shazia Rajani & Mr. Pir Muhammad as Elected Members of CASA-South.

Rapid Innovation (Pvt) Ltd

Becomes Approved Training Organisation outside Practice (TOoP) of ICAP

Rapid Innovation (Pvt) Limited has been accredited as an Approved Training Organization outside Practice (TOoP) by ICAP. Mr. Farrukh Rehman, President of ICAP, visited Rapid Innovation (Pvt) Limited in Karachi on March 7, 2024, to present the TOoP Certificate to its CEO, Mr. Nasir Vohra.



Hub Power Company Ltd

Becomes Approved Training Organisation Outside Practice (TOoP) for ICAP

The Hub Power Company Limited has been designated as an Approved Training Organization outside Practice (TOoP) by ICAP. Mr. Farrukh Rehman, President of ICAP, visited The Hub Power Company Limited in Karachi on March 6, 2024, to present the TOoP Certificate to its CEO, Mr. Kamran Kamal.





Masterclass on Sustainability Reporting Standards and Global Best Practices

The Northern Regional Committee of ICAP, through its CPD - Technical and Professional Affairs Committee, orchestrated the highly acclaimed 'Masterclass on Sustainability Reporting Standards and Global Best Practices' on March 8th and 9th, 2024 in Lahore, with virtual accessibility via Zoom. Lead trainers Muhammad Aleem Zubair and Fauzia Safdar Khan spearheaded the event, aiming to equip participants with comprehensive insights and tools for robust sustainability reporting practices. Notable speakers, including Omer Asim Salman and Syed Ahson Ali Shah, enriched the discourse with invaluable insights. Day 1 sessions covered IFRS S1 and IFRS S2, accompanied by industry-specific case studies and

Protocol and TCFD framework, featuring engaging discussions and exercises. Distinguished figures like Farrukh Rehman, President of ICAP and Mr. Abdul Rehman Warraich, Commissioner SECP, emphasized financial leadership's role in embracing sustainability. Mr. Zeeshan Ijaz, Vice President of ICAP, delivered the closing remarks, where he emphasized the importance of integrating sustainability reporting standards and global best practices into organizational strategies for long-term success.



Awareness Session on eZfile and Companies Regulations, 2024

The Northern Regional Committee (NRC) organized an informative session titled 'eZfile and Companies Regulations, 2024,' conducted through the CPD - Technical and Professional Affairs Committee. This session provided participants from ICAP Lahore and other locations with updates and insights into the latest regulations. Distinguished speakers, including SECP representatives Mr. Saeed Ullah, Ms. Sidra Mansur, and Ms. Saboohi Israr, shed light on Companies Regulations and eZfile functionalities. The session also featured a dynamic Q&A segment moderated by Ms. Ammara S. Gondal, Member NRC, fostering interactive discussions. Chairman NRC Mr. Aneel Peter expressed gratitude for the event's success, marking its significance in disseminating valuable knowledge.

AML/CFT Training Program:

On March 27th, 2024, a comprehensive training session delving into Suspicious Transaction Reporting and Beneficial Ownership was held, aiming to enhance regulatory compliance practices across various sectors. With over 700 registrations and active participation from approximately 160 attendees, the session underscored the industry's keen interest in strengthening financial integrity. Led by Ms. Tanzila Nisar Mirza, Additional Director at SECP, and Ms. Sumera Baloch, the training provided invaluable insights into beneficial ownership and suspicious transaction reporting. Interactive Q&A segments further facilitated deeper engagement, fostering a collaborative learning environment conducive to elevating regulatory standards.

The Application of Generative AI in Finance & Accounting Domain:

A Hands-on Training Workshop

Generative Artificial Intelligence (AI) is swiftly revolutionizing the finance and accounting realms, offering unprecedented opportunities for professionals. Recently, the Digital Assurance and Accounting Board of ICAP orchestrated a workshop dedicated to exploring Generative AI's applications in finance and accounting. The workshop provided a thorough insight into Generative AI and its potential impacts on industry practices. Renowned industry experts elucidated the mechanics of Generative AI, debunked common myths, and delved into its practical implementations within the financial sector. Moreover, the workshop addressed critical challenges and considerations related to Generative AI adoption, including privacy issues and regulatory compliance. Notable speakers at the event included Mr. Farrukh Rehman, President of ICAP, Mr. Nabeel Mirza from Kanbina London, Mr. Farzad Sunavala from Microsoft, and Ms. Khursheed Kotwal, Vice President and Chairperson of the Digital Assurance and Accounting Board.

Workshop Video Link: <https://shorturl.at/uBCHP>

I-Thrive- Promoting Inclusivity with Boltay Huroof

The startups at I-Thrive Incubation Center continue to flourish, with each one making impressive strides in developing their businesses. Among them is "Boltay Huroof," which is pioneering the creation of Braille content to foster diversity across various sectors, including education and banking. Their recent recognition with the "PSL Hamary Heroes Award" underscores the industry's acknowledgment of their significant contributions. Additionally, their feature in the Pakistan Super League further highlights the impact of their work and amplifies their reach on a national scale. This achievement highlights the impactful work being carried out by our startups, reinforcing our commitment to innovation and inclusivity.





Synergizing Success: Empowering Team Dynamics with ICAP's In-House Training

In an exclusive In-House Training Session, Mr. Sabahat Ali Khan, Senior Manager Admin ICAP, led a workshop on 'How to be A Great Team Player' focusing on vital aspects of teamwork, effective communication, and problem-solving strategies. This session offered team members a unique opportunity to enhance their interpersonal skills, foster collaboration, and align collective goals, reinforcing the remarkable synergy within ICAP team.

The Digital Technology Awards

The Digital Assurance and Accounting Board of ICAP announced the much-anticipated "Digital Technology Awards '24," slated to unfold on August 09, 2024. These awards focus on the innovations brought into the realms of Finance, Accounts, Internal Audit and Data Analytics. We expect participants to display something indisputably advanced, forward-thinking and that puts the financial institutions and business ahead of the curve!

The Registrations are open from March 29, 2024 till April 30, 2024.

For Brochure and FAQ's: <https://icap.org.pk/dta/pdf/dta2024.pdf>

To facilitate you, the registration form, which includes all the information that needs to be submitted for the awards, is also available.

Registration Form Link: <https://icap.org.pk/dta/pdf/nomination-form.pdf>

Registration Link for ICAP Data Base: <https://icap.org.pk/dta/>

SAFA Women's Day Celebrations & SAFA Women Leadership Awards 2024

The SAFA Women Leadership Committee (WLC) celebrated SAFA Women's Day on March 1, 2024, themed 'Inspire Inclusion', announcing the First SAFA Women Leadership Awards 2024. This event honored the achievements of women in accountancy across SAFA countries, en in accountancy across SAFA countries. Ms. Hina Usmani, Chairperson SAFA WLC, highlighted SAFA WLC's activities and emphasized the pivotal role they play in fostering gender equality and empowering women across the South Asian region. Mr. Sujan Kumar Kafle, President ICA Nepal, emphasized ICA Nepal's unwavering commitment to women's empowerment, highlighting initiatives aimed at fostering gender equality and creating opportunities for women to thrive and succeed. Mr. Ashfaq Yousuf Tola, Vice President of SAFA, and Mr. Heshana Kuruppu, President of SAFA, emphasized

women's potential and SAFA's steadfast commitment to diversity, highlighting the organization's dedication to creating an inclusive environment where all individuals have the opportunity to excel. The honorable Chief Guest, Ms. Saraswati Aryal Tiwari, Minister of Energy, Water Resources, and Drinking Water Nepal, commended the event and expressed her appreciation for its focus on empowering women and fostering collaboration for positive change. The SAFA Women Leadership Awards honored outstanding women, promoting gender diversity. RA Meera Shrestha and Darshani Watawal, Members of SAFA WLC, unveiled the winners, recognizing their remarkable contributions and inspiring leadership.

ICAP Mentorship Program: Empowering Excellence, Inspiring Success

Why Mentorship Is Important?

Mentors Provide Constructive Feedback

Constructive feedback helps in professional growth and personality development. The mentor and mentee build a professional relationship that allows both to participate in a healthy discussion, leading to transforming weaknesses into strengths, and helping the mentee excel professionally.

Learn from Experienced Mentors

The success stories of mentors is always backed with their experiential learning and coping the challenges they faced over time. This resilience motivates the mentees to strive towards their goals and follow the guidelines of mentors.

Relevant Guidance

Mentors can extend guidance to help you opt a suitable career, address the career transition challenges, identify the professional development needs, and guide the communication required to deliver your message.



Details:

www.icap.org.pk



SUCCESS STORIES



MS. REHMA TIRMIZEY

**Ex Manager Audit & Assurance
EY Middle East**

“

I decided to pursue Chartered Accountancy because it offered a highly rewarding career. My journey began when I joined KPMG Karachi for my 3.5 years training program. As I gained more experience, the pressure to excel also increased. This meant extended working hours and meeting strict deadlines along with studying for final exams. It was not easy but the constant support of my parents and guidance of my mentors made it a worthwhile journey and within 6 years I became an ACA. Since then, I never looked back. I worked for Philip Morris International, PwC Middle East and EY Middle East before moving to USA. I have worked in managerial roles with people from various backgrounds and ethnicities in challenging environments. I believe that CA opened all these doors of opportunity for me which enabled me to become a strong, independent and successful woman who was never afraid of failure. I am the first woman who is a CA in my family, and I am extremely proud of it.

”

Extracts taken from the "[Inspiring Journey of CA Women](#)" Page 58

KSA Chapter Organized Paddle Tennis Activity in Khobar

The KSA Chapter of ICAP members have enthusiastically embraced paddle tennis as a means of fostering camaraderie and connection amongst our esteemed members. Over the past six months, these engaging matches have capitalized on the burgeoning popularity of this dynamic sport within the GCC region. Responding to overwhelming demand, weekly sessions have been meticulously organized, providing a vibrant and enjoyable platform for our members to stay active and connected. This initiative has sparked immense interest and enthusiastic participation from members, showcasing the profound impact of such engaging activities. Paddle tennis not only facilitates networking and social interaction but also serves as a rejuvenating outlet for stress relief and physical



wellness. In demanding professions such as accounting and finance, such holistic opportunities for well-being are truly invaluable.

KSA Chapter Organized Leadership Workshop, 'Art of Connection – The Bicycle of Life'



The KSA Chapter of ICAP organized a dynamic leadership workshop titled 'Art of Connection - The

Bicycle of Life' in Khobar, KSA. The event proved to be a resounding success, drawing a large number of ICAP members eager to enhance their leadership skills. Renowned guest speaker, Mr. Zeeshan Afzal, held the audience spellbound with his insightful presentation. Through engaging discussions and interactive sessions, Mr. Afzal adeptly unravelled the essential principles of effective leadership, drawing insightful parallels to the art of riding a bicycle. Attendees were inspired to explore fresh perspectives and strategies for nurturing connections, both personally and professionally. The workshop offered a valuable platform for networking, learning, and personal growth.

UAE Chapter Organized Iftar Dinner 2024

The UAE Chapter of ICAP Members organized a memorable Iftar Dinner on March 26, 2024, epitomizing the essence of Ramadan and the spirit of togetherness. The event was sponsored generously by Alliot Hadi Shahid Chartered Accountants, Dubai, and Adeptis Chartered Accountants. The event provided a platform for the members to reconnect, share stories, and strengthen bonds. The UAE Chapter extends its heartfelt appreciation to all who contributed to the success of this evening from the sponsors to the dedicated UAE Chapter Managing Committee Members.



KSA Annual Family Gala

The KSA Chapter of ICAP members organized Annual Family Picnic Gala that took place on February 9, 2024, at Rashoush Resort, Riyadh. It was a day filled with joy and laughter, where families came together to enjoy a variety of delightful activities. The event featured scrumptious meals, engaging activities for kids, exciting gifts, lucky draws, and a range of sports. The melodious musical evening was a highlight, creating a lively atmosphere.



Professional Misconduct

PUBLICATION OF FINDINGS AND DECISION OF THE COUNCIL UNDER SECTION 20I OF THE CHARTERED ACCOUNTANTS ORDINANCE, 1961

It was noted that a practicing member of the Institute conducted the audit of financial statements of large sized companies for the year ended June 30, 2019, despite the fact that his firm did not have satisfactory Quality Control Review (QCR) rating under the QCR Program of the Institute. Therefore, the member has failed to comply with the requirements of the Code of Ethics for Chartered Accountants by providing professional services in respect of the assignment which he was not eligible and competent to perform.

In view of the above, after considering the report of the Investigation Committee, the information and evidence available on record and the submissions made by the member during his hearing, the Council decided to hold the member guilty of professional misconduct under:

- ⇒ Clause (3) of Part 4 of Schedule I of the Chartered Accountants Ordinance, 1961 for not complying with the fundamental principles stated in Paragraphs 100.5(c) (Professional Competence & Due Care) and 100.5(e) (Professional Behavior) of the Code of Ethics for Chartered Accountants (April 28, 2015) contained in Directive 6.04 of the Institute; and
- ⇒ Clause (5) of Part 4 of Schedule I of the Chartered Accountants Ordinance, 1961 for being guilty of an act or default discreditable to a member of the Institute.

The Council decided to reprimand the member under Section 20D of the Chartered Accountants Ordinance, 1961.

It was noted that the name of a member of the Institute was appearing as engagement partner in the list of clients provided by a firm (the Firm) for the purpose of Quality Control Review (QCR) to the Quality Assurance Department of the Institute. The member issued audit reports on the financial statements of the companies for the year ended June 30, 2017 in the name of the Firm. However, as per records of the Institute, the member had ceased to be a partner of the Firm with effect from July 1, 2014. Therefore, by signing the above audit reports, the member committed non-compliance of the relevant requirements of Section 247 and Section 251 of the Companies Act, 2017 as per which only a partner of the firm shall sign the audit reports on behalf of the firm and Paragraph 110.2 of the Code of Ethics for Chartered Accountants as per which a chartered accountant shall not knowingly be associated with reports, returns, communications or other information where the chartered accountant believes that the information contains a materially false or misleading statement or contains statements or information furnished recklessly.

The member, as per his submissions, mentioned that he did not receive intimation from the Institute that he had ceased to be a partner of the Firm. In this respect, it was noted that in order to be entitled to practice as a Chartered Accountant, one has to be a member of the Institute whereas the member's name had been removed from the Register of the Members of the Institute on account of non-payment of the outstanding membership fees for the year 2014-2015 and consequently, he was not entitled to practice as Chartered Accountant with effect from July 1, 2014, as intimated to him by the Institute.

Thereafter, the Firm applied for restoration of the member's name in the Register of the Members of the Institute and issuance of Certificate of Practice to him, however, the Firm was informed by the Institute (the letter was copied to the member also) that by mere payment of dues, status as practicing member cannot be restored and members are required to apply for fresh Certificate of Practice complying with all formalities and return the Original Certificate of Practice. Thereafter, the member applied to the Institute for issuance of Certificate of Practice in the

name of his sole-proprietorship firm which was issued to him. However, neither the member nor the Firm completed the formalities for his practice in the name of the Firm, therefore, the member was not entitled to practice in the name of the Firm and accordingly, his above stance was not tenable.

In view of the above and after considering the report of the Investigation Committee, the information and evidence available on record and the submissions made during the hearing, the Council decided to hold the member guilty of professional misconduct under:

- ✦ Clause (3) of Part 4 of Schedule I of the Chartered Accountants Ordinance, 1961 for not complying with the fundamental principles stated in Paragraphs 100.5(a) (Integrity), 100.5(c) (Professional Competence and Due Care) and 100.5(e) (Professional Behavior) of the Code of Ethics for Chartered Accountants (April 28, 2015) contained in Directive 6.04 of the Institute; and
- ✦ Clause (5) of Part 4 of Schedule I of the Chartered Accountants Ordinance, 1961 for being guilty of an act or default discreditable to a member of the Institute.

The Council decided to reprimand the member under Section 20D of the Chartered Accountants Ordinance, 1961.

It was noted that name of a member of the Institute, was appearing as engagement partner in the list of clients provided by a firm (the Firm) for the purpose of Quality Control Review (QCR) to the Quality Assurance Department of the Institute. The member issued audit reports on the financial statements of the Companies for the year ended June 30, 2017 in the name of the Firm. However, as per records of the Institute, the member had ceased to be a partner of the Firm with effect from July 1, 2014. Therefore, by allowing him to sign the above audit reports, the managing partner of the Firm (a practicing member of the Institute) committed non-compliance of the relevant requirements of Section 247 and Section 251 of the Companies Act, 2017 as per which only a partner of the firm shall sign the audit reports on behalf of the firm and Paragraph 110.2 of the Code of Ethics for

Chartered Accountants as per which a chartered accountant shall not knowingly be associated with reports, returns, communications or other information where the chartered accountant believes that the information contains a materially false or misleading statement or contains statements or information furnished recklessly. When a chartered accountant becomes aware that he has been associated with such information, he shall take steps to be disassociated from that information. Further, the above act of the managing partner results in professional misconduct under the provisions of Clause (1) and Clause (12) of Part 1 of Schedule I of the Chartered Accountants Ordinance, 1961.

It was noted that in order to be entitled to practice as a Chartered Accountant, one has to be a member of the Institute whereas the name of the member had been removed from the Register of the Members of the Institute on account of non-payment of the outstanding membership fees for the year 2014-2015 and consequently, the member was not entitled to practice as Chartered Accountant with effect from July 1, 2014, as intimated to the Firm by the Institute.

Thereafter, the Firm applied for restoration of the name of the member in the Register of the Members of the Institute and issuance of practice Certificate to him, however, the Firm was informed by the Institute (the letter was copied to the member also) that by mere payment of dues, status as practicing member cannot be restored and members are required to apply for fresh Certificate of Practice complying with all formalities and return the Original Certificate of Practice. Thereafter, the member applied to the Institute for issuance of Certificate of Practice in the name of his sole-proprietorship firm which was issued to him. However, neither the member nor the Firm completed the formalities for his practice in the name of the Firm; therefore, he was not entitled to practice in the name of the Firm. However, being partner of the Firm, the managing partner did not submit the Form 'C' along with revised partnership deed to the Institute resulting in non-compliance with the requirements of Directive 4.03 (Partnership Firms to send Particulars In

the Prescribed Proforma) which requires submission of fresh Form 'C' with the Institute whenever any change in partnership takes place within one month of the change.

In view of the above and after considering the report of the Investigation Committee, the information and evidence available on record and the submissions made during the hearing, the Council decided to hold the managing partner guilty of professional misconduct under:

- ✦ Clause (1) of Part 1 of Schedule I of the Chartered Accountants Ordinance, 1961 allows any person to practice in his name as a chartered accountant, unless such person is also a chartered accountant in practice and is in partnership with, or employed by him;
- ✦ Clause (12) of Part 1 of Schedule I of the Chartered Accountants Ordinance, 1961 allows another person not being a member of the Institute or a member not being his partner to sign on his behalf or on behalf of his firm; any balance sheet, profit and loss account, report or financial statement;
- ✦ Clause (3) of Part 4 of Schedule I of the Chartered Accountants Ordinance, 1961 does not comply with the Directive 4.03 of the Institute and the Fundamental principles stated in Paragraphs 100.5(a) (Integrity), 100.5© (Professional Competence & Due Care) and Paragraphs 100.5(e) (Professional Behavior) of the Code of Ethics for Chartered Accountants (April 28, 2015) contained in Directive 6.04 of the Institute; and
- ✦ Clause (5) of Part 4 of Schedule I of the Chartered Accountants Ordinance, 1961 has been guilty of an act or default discreditable to a member of the Institute.

The Council decided to reprimand the member under Section 20D of the Chartered Accountants Ordinance, 1961.

Member News

It was noted with reference to the Quality Control Review (QCR) report of the firm that the audits carried out and audit reports issued by a practicing member of the Institute in respect of three Listed Companies (the Companies) for the year ended June 30, 2018 were not in accordance with the International Standards on Auditing (ISAs) and legal and regulatory requirements as applicable in Pakistan:

- ⚡ There were irregularities in the financial statements of the Companies for the year ended June 30, 2018 including non-compliance with the requirements of relevant International Financial Reporting Standards (IFRSs) such as International Accounting Standard (IAS) 16 (Property, Plant and Equipment), IAS 12 (Income Taxes), IFRS 13 (Fair Value Measurement), IFRS 7 (Financial Instruments: Disclosures) etc. The member failed to address the said irregularities, while conducting the audit of aforesaid financial statements, as per the requirements of the International Standards on Auditing as applicable in Pakistan including ISA 705 (Modifications to the Opinion in the Independent Auditor's Report) and Section 249 of the Companies Act, 2017; and
- ⚡ There are various instances, where, while conducting the audit of the aforesaid financial statements:
 - ⚡ The member failed to follow the applicable requirements of ISAs such as ISA 240 (The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements), ISA 720 (The Auditor's Responsibilities Relating to Other Information) etc.;
 - ⚡ The member failed to obtain sufficient appropriate audit evidence as per the requirements of the relevant ISAs including ISA 500 (Audit Evidence) regarding various account balances appearing in the statement of financial position, the classes of transactions appearing in the statement of profit or loss and disclosures in the financial statements so as to be able to draw reasonable conclusions for forming an opinion on the financial statements; and

- ⚡ The member failed to prepare the complete audit documentation in the working paper files, as per the requirements of the relevant ISAs such as ISA 230 (Audit Documentation), ISA 540 (Auditing Accounting Estimates, including Fair Value Accounting Estimates, and Related Disclosures) etc.

The member failed to comply with the requirements of the relevant laws and regulations and the applicable technical and professional standards including ISAs as applicable in Pakistan while carrying out the subject audits. Hence, he was negligent in the conduct of his professional duties in this regard.

In view of the above and after considering the report of the Investigation Committee, the information and evidence available on record and the submissions made by the member during the hearing, the Council decided to hold the member guilty of professional misconduct under:

- ⚡ Clause (3) of Part 4 of Schedule I of the Chartered Accountants Ordinance, 1961 for not complying with the fundamental principles stated in paragraphs 100.5© (Professional Competence and Due Care) and 100.5(e) (Professional Behavior) of the Code of Ethics for Chartered Accountants (April, 2015) contained in Directive 6.04 of the Institute, and
- ⚡ Clause (5) of Part 4 of Schedule I of the Chartered Accountants Ordinance, 1961 for being guilty of an act or default discreditable to a member of the Institute.

The Council decided to reprimand the member under Section 20D of the Chartered Accountants Ordinance, 1961.

It was noted that a practicing member of the Institute conducted the audit of financial statements of a large sized company for the year ended June 30, 2016, despite the fact that his firm did not have satisfactory Quality Control Review (QCR) rating under the QCR Program of the Institute. Therefore, the member has failed to comply with the requirements of the Code of Ethics for Chartered Accountants by providing professional services in respect of the assignment which he was not eligible and competent to perform.

In view of the above, after considering the report of the Investigation Committee, the information and evidence available on record and the submissions made on his behalf during his hearing, the Council decided to hold the member guilty of professional misconduct under:

- Clause (3) of Part 4 of Schedule I of the Chartered Accountants Ordinance, 1961 for not complying with the fundamental principles stated in Paragraphs 100.5(c) (Professional Competence & Due Care) and 100.5(e) (Professional Behavior) of the Code of Ethics for Chartered Accountants (April 28, 2015) contained in Directive 6.04 of the Institute; and
- Clause (5) of Part 4 of Schedule I of the Chartered Accountants Ordinance, 1961 for being guilty of an act or default discreditable to a member of the Institute.

The Council decided to reprimand the member under Section 20D of the Chartered Accountants Ordinance, 1961.



New Associate & Fellow Members

ICAP Welcomes the following Associate & Fellow Members:

Associate Members

S.No.	R.No.	Name
1	12652	AHMAD JAMAL
2	12653	AMMAR KHALID
3	12654	MUHAMMAD ZAIN YOUNAS
4	12655	NIMRA WAHEED
5	12656	MUNIM ISLAM
6	12657	SYED WASEEM AHMED
7	12658	HIRA ZUL QARNAIN
8	12659	HASSAN JAWAID
9	12660	SHAHMEER AHMED
10	12661	NABEEL AHMED
11	12662	SYED SHAHKAR ALI SHAH
12	12663	MUHAMMAD AHSAN WAJEEH
13	12664	SHEIS ALI SIDDIQUI
14	12665	MIRZA SHOAB BAIG
15	12666	WIJDAN AHMED
16	12667	HUZAIFA BIN ABBAS
17	12668	MUHAMMAD ZOHAIB KHAN
18	12669	SHOAB SIRAJ
19	12670	SYED HAMMAD MURSHID
20	12671	AHMAD RAZA KHAN
21	12672	OSAMA PERVEIZ

22	12673	SHERAZ UMER
23	12674	MAHNOOR ASGHAR
24	12675	SAMIA SOHAIL
25	12676	MUHAMMAD MURTAZA KHAN
26	12677	SHAH ABDUR REHMAN
27	12678	ABEERA ABBASI
28	12679	HUMNA SYED

Fellow Members

S.No.	R.No.	Name
1	5015	MUHAMMAD ASIF
2	6700	ADNAN MUSHTAQ
3	6748	BILAL MUSTAFA
4	6812	SARAH MOIN
5	7600	SYED IMRAN HAIDER
6	7630	AHMED RAZA
7	7634	MUHAMMAD SAJJAD HUSSAIN
8	7637	AMMAR SHAFIQUE
9	7658	SULAIMAN
10	7664	UMAR NAWAZ
11	7728	MUHAMMAD ADNAN KHAN

NEW FIRM

The Institute welcomes the following new firm:

S.No.	Name	Location
1.	SARAH & CO.	ISLAMABAD

DEMISED MEMBERS

S.No.	R.No.	Name
1.	1183	HAROON-UR-RASHID
2.	2065	AMIN
3.	3858	MUHAMMAD ALI SIDDIQUI

ICAP UPDATE

1 Implementation of ISQM Standards and Consequential impact on the Assurance and AUP Reports: Replacement of term ISQC 1 with ISQM 1.

As per ICAP Circular 06/2022 (dated November 25, 2022), ISQM standards (ISQM 1, ISQM 2, and ISA 220 (Revised) issued by the International Auditing and Assurance Standards Board (IAASB) have become effective for firms auditing public interest companies from December 15, 2023. As a result of this implementation, the previous International Standard on Quality Control (ISQC) 1 and ISA 220 have been superseded.

Members have been advised through ICAP Circular No. 04/2024 (dated March 20, 2024) to take into account the consequential impact of this change in the Quality Management section of assurance reports issued under ISAE 3000 (Revised) and reports issued under ISRS 4400 (Revised) and use the term 'International Standard on Quality Management 1' instead of ISQC 1.

The circular can be found on the below link:
<https://www.icap.net.pk/wp-content/uploads/2024/03/Circular4of2024.pdf>

2 ICAP comments on PSX 'Proposed Amendments to PSX Regulations and changes in Forms 3 and 7 of the Correspondence Manual of PSX'.

ICAP has submitted its detailed comments and suggestions on the proposed amendments made by PSX through its Notice No. PSX/N-79 (dated January 22, 2024) to the PSX Regulations to empower PSX to conduct off-site monitoring of listed companies and may require listed company's directors, executives and/or relevant external auditor(s) to produce documents, information or record for its off-site monitoring. Second proposed change is made in Forms 3 and 7 of the PSX Correspondence Manual which require dissemination of complete financial statements and other information while releasing quarterly and annual financial results approved by the Board of Directors of the listed companies. The ICAP comments were finalized and submitted to PSX on February 23, 2024 after a detailed meeting with PSX representatives on the practical challenges and legal consequences because of proposed amendments. PSX Notice can be viewed at:

https://www.psx.com.pk/psx/themes/psx/uploads/N-79_Offsite_monitoring_and_Form_3_7_of_CM_January_2

3 ICAP publishes an updated list of practicing firms having satisfactory QCR rating.

ICAP has published the list of practicing firms having satisfactory Quality Control Rating (QCR) as of March 19, 2024. The list can be found on the below link:

<https://icap.org.pk/files/per/quality-assurance/List-of-Firms.pdf>

Corporate Regulatory Updates

1 Accounting Standard on Financial Statements Disclosures of Zakat Received by an Entity,

SECP through its SRO 240/(I) 2024 (dated February 16, 2024) has notified a new Accounting Standard on 'Financial Statements Disclosures of Zakat Received by an Entity', developed by Accounting Standard Board of ICAP.

The new standard aims to provide transparency and accountability regarding zakat received and utilized by entities, especially not-for-profit organizations (NPOs). Entities must disclose their accounting policies for zakat utilization, movements in zakat balances, nature and amounts of zakat received and utilized, and closing balances of zakat, among others in their financial statements.

The SRO can be found at below link:

<https://www.secp.gov.pk/document/sro-240i-2024-accounting-standard-on-financial-statements-disclosures-of-zakat-received-by-an-entity/?wpdmdl=50760&refresh=65ef643f232271710187583>

2 Amendments to Voluntary Pension System (VPS) Rules.

The Securities and Exchange Commission of Pakistan (SECP) has amended the Voluntary Pension System (VPS) framework to permit fully funded defined contribution pension schemes. This amendment allows employers from both public and private sectors to offer fail-safe pension plans to their employees.

Amended VPS Rules 2005 can be found on the below link:

<https://www.secp.gov.pk/document/vps-rules-2005-updated-as-of-february-22-2024/?wpdmdl=50818&refresh=660522e1d49891711612641>

3 SECP amends Companies (Further Issue of Shares) Regulation, 2020.

SECP through its SRO 361 /(I) 2024 (dated March 04, 2024) has introduced amendments to the Companies (Further Issue of Shares) Regulations, 2020. Key amendments include:

- Introduction of a mandatory solicitation of comments from the Pakistan Stock Exchange (PSX) and SECP on the draft offer document.
- Strengthening of disclosures in the right issue offer document to provide investors with essential information about the issuer, specific risks, and their potential impact.
- Streamlining of the requirement for directors and substantial shareholders to subscribe to the right issue.
- Introduction of exceptions for share issuance dependent on future contingent events, with clear explanations provided to avoid discretionary interpretation.
- Extension of restrictions on the sale of shares after issuance for sponsors and associated entities to two years, and for other shareholders to six months.
- Restriction of the Companies (Further Issue of Shares) Regulations, 2020 to listed companies, with separate regulations issued for unlisted public and private limited companies in February.
- Definition of "Sponsor" aligned with Public Offering Regulations, 2017.
- Addition of requirements for sponsors to retain shareholdings.
- Simplification of the right issuance process with standardized disclosure and reporting requirements, applicable to all right issues regardless of size.

These amendments represent a significant advancement in fortifying capital markets and safeguarding investor interests. By promoting transparency and accountability, SECP aims to instill trust among investors and foster sustainable market growth.

The SRO can be found at below link:

<https://www.secp.gov.pk/document/sro-361-i-2024-amendments-to-the-companies-further-issue-of-shares-regulations-2020/>

4 SECP Strengthens Corporate Governance with Focus on Sustainability and Diversity.

SECP through its 410 (I)/2024 (dated March 15, 2024) has proposed amendments to the Listed Companies (Code of Corporate Governance) Regulations, 2019 which aim to strengthen the board's oversight of environmental, social, and governance (ESG) issues, as well as gender diversity and inclusion (DE&I) practices. Aligned with international best practices, the proposed revisions emphasize the importance of listed companies having a comprehensive understanding of ESG considerations. Boards will be responsible for setting the company's sustainability strategy, including priorities and targets. This will involve aligning with upcoming ESG Disclosure Guidelines to ensure long-term value creation for both the company and its stakeholders.

The draft amendments are available for public comments and feedback on the SECP's website at:

secp.gov.pk/document/draft-amendments-to-listed-companies-code-of-corporate-governance-regulations-2019/?wpdmdl=50999

IFRS Foundation, IASB and IFRIC

1 IASB to issue IFRS 18 Presentation and Disclosure in Financial Statements.

The International Accounting Standards Board (IASB)

expects to issue IFRS 18 'Presentation and Disclosure in Financial Statements' on 9 April 2024.

News can be accessed using the link:

https://www.ifrs.org/news-and-events/news/2024/03/iasb-to-issue-ifrs-18-presentation-and-disclosure-in-financial-statements/?utm_medium=email&utm_source=website-follows-alert&utm_campaign=immediate

2 IASB consults on supplementary proposals to update the IFRS for SMEs Accounting Standard.

The IASB is proposing amendments to the IFRS for SMEs Accounting Standard in response to feedback received from users and the SME Implementation Group. The proposed changes address lack of exchangeability between two currencies and disclosure requirements for supplier finance arrangements.

News can be accessed using the link:

https://www.ifrs.org/news-and-events/news/2024/03/iasb-consults-on-supplementary-proposals-to-update-the-ifrs-for-smes-accounting-standard/?utm_medium=email&utm_source=website-follows-alert&utm_campaign=immediate

3 IASB consults on proposals to improve reporting of acquisitions.

IASB has released a set of proposals aimed at enhancing the information companies provide to investors about acquisitions. The proposals address concerns from both investors and companies:

- Investors often lack sufficient and timely information about acquisitions and their performance afterward.
- Companies want to provide useful information but are hesitant due to risks and costs, especially concerning sensitive data that could benefit competitors.
- Stakeholders are worried about the effectiveness and complexity of the impairment test for operations with goodwill.

Technical Updates

To address these issues, the IASB suggests changes to IFRS 3: Business Combinations, which would require companies to report the objectives and performance targets of their major acquisitions, expected synergies for significant acquisitions along with whether they achieve these targets in subsequent years. However, they would not have to reveal information that might compromise their acquisition goals. The proposals also include adjustments to IAS 36 Impairment of Assets, aiming to enhance the impairment test.

Details can be accessed using the link:

<https://www.ifrs.org/news-and-events/news/2024/03/iasb-consults-on-proposals-to-improve-reporting-of-acquisitions/>

4 IASB Meeting and Agenda Papers.

The meeting papers and agenda of the IASB meeting held on March 18 to 21, 2024 have been published. The topics for discussion were:

- ⇒ Power Purchase Agreements
- ⇒ Post-implementation Review of IFRS 15 Revenue from Contracts with Customers
- ⇒ Work Plan
- ⇒ Rate-regulated Activities
- ⇒ Maintenance and Consistent Application
- ⇒ Equity Method
- ⇒ Climate-related and Other Uncertainties in the Financial Statements
- ⇒ Management Commentary
- ⇒ Post-implementation Review of IFRS 9 – Impairment
- ⇒ Second Comprehensive Review of the IFRS for SMEs Accounting Standard
- ⇒ Subsidiaries without Public Accountability Standard
- ⇒ Use of a Hyperinflationary Presentation Currency by a Non-hyperinflationary Entity (IAS 21)

Meeting papers and agenda can be accessed using the link:

<https://www.ifrs.org/news-and-events/calendar/2024/march/international->

5 Accounting Standards Advisory Forum (ASAF) Meeting and Agenda Papers.

The meeting summary of the ASAF meeting held on

March 2024

March 25 to 26, 2024 have been published. The topics for discussion were:

- ⇒ Agenda planning and feedback from previous ASAF meetings
- ⇒ Subsidiaries without Public Accountability: Disclosures
- ⇒ Rate-regulated Activities
- ⇒ Post-implementation Review of IFRS 9 – Impairment
- ⇒ Amendments to the Classification and Measurement of Financial Instruments
- ⇒ Post-implementation Review of IFRS 15 Revenue from Contracts with Customers
- ⇒ Climate-related and Other Uncertainties in the Financial Statements
- ⇒ EFRAG's project on Variable Consideration
- ⇒ Financial Instruments with Characteristics of Equity

Meeting summary can be accessed using the link:

<https://www.ifrs.org/news-and-events/calendar/2024/march/accounting-standards-advisory-forum/>

6 IFRIC Update March 2024.

The meeting summary on IFRIC Update meeting held on March 5, 2024 have been published. The Committee deliberated on:

- ⇒ Climate-related Commitments (IAS 37 Provisions, Contingent Liabilities and Contingent Assets) - Agenda Paper 2
- ⇒ Payments Contingent on Continued Employment during Handover Periods (IFRS 3 Business Combinations) -Agenda Paper 3
- ⇒ Post-implementation Review of IFRS 9 Financial Instruments—Impairment -Agenda Paper 4
- ⇒ Work in Progress - Agenda Paper 5

Detailed Updates can be accessed using the link:

<https://www.ifrs.org/news-and-events/updates/ifric/2024/ifric-update-march-2024/>

7 World Standard-setters Conference.

The upcoming World Standard-setters Conference is scheduled on 23rd and 24th of September 2024 in London. This event is designed for national standard

setters to gain insights about the IFRS Foundation's latest activities and engage in discussions. It will also offer interactive Q&A sessions and lively panel discussions.

Details about the event can be viewed at:

<https://www.ifrs.org/news-and-events/calendar/2024/september/world-standard-setters-conference-2024/>

Updates from the International Sustainability Standards Board (ISSB)

1 ISSB Meeting and Agenda Papers.

The meeting summary and agenda for the ISSB's meeting held on March 13, 2024, have been published. The ISSB tentatively decided it will:

- ✦ Begin new research and standard-setting projects;
- ✦ Support the implementation on IFRS S1 and IFRS S2;
- ✦ Enhancing the SASB Standards; and
- ✦ Engage with stakeholders.

Meeting papers and agenda can be accessed using the link:

<https://www.ifrs.org/news-and-events/calendar/2024/march/international-sustainability-standards-board/>

2 Transition Implementation Group on IFRS S1 and IFRS S2 - Meeting and Agenda Papers.

The meeting papers and agenda for the Transition Implementation Group (TIG)'s meeting held on March 15, 2024, have been published. The topics for discussion are:

- ✦ Application of paragraph 29(b)–(c) of IFRS S2, using ISSB Standards and related materials; and

- ✦ Revision of preceding period estimated amounts.

Meeting papers and agenda can be accessed using the link:

<https://www.ifrs.org/news-and-events/calendar/2024/march/tig-ifrs-s1-ifrs-s2/>

Updates from the International Auditing and Assurance Standards Board (IAASB)

1 AASB Launches Global Webinar to understand the ISA for LCE.

The International Auditing and Assurance Standards Board (IAASB) has introduced new resources to help stakeholders in understanding and implementing the ISA (International Standard on Auditing) for LCE, a standard for audits of smaller and less complex entities.

Resources include a three-part video series covering key aspects of the standard and a global webinar held on April 3, 2024. The webinar will delve into the purpose, applicability, and benefits of the ISA for LCE, featuring speakers from IAASB.

Registrations are open for the webinar, which will be livestreamed on Zoom, YouTube, and LinkedIn. Additionally, IAASB supplementary guidance, adoption fact sheets, and implementation guides will be released in 2024.

In view of significance of the matter, ICAP has also disseminated the news to its members through email dated March 15, 2024 and has been encouraging all members to participate in the webinars on ISA for LCE.

The news can be access using link:

<https://www.iaasb.org/news-events/2024-03/iaasb-launches-new-video-series-and-global-webinar-understand-isa-lce>

Updates from the International Ethics Standards Board for Accountants (IESBA)

- 1 IESBA Holds Three Interactive Webinars on the proposed IESSA and ethics standards relating to sustainability reporting and using the work of an external expert.

The International Ethics Standards Board for Accountants (IESBA) hosted global webinars in February and March 2024 to explain key proposals made in the Exposure Drafts on the International Ethics Standards for Sustainability Assurance (IESSA) and revisions to existing codes concerning sustainability reporting and using external experts.

The draft IESSA standards aim to provide a clear and unified framework for ethical conduct for use by all sustainability assurance practitioners. IESBA goal is to combat greenwashing and improve the quality of sustainability information which would result in increasing public and institutional trust in sustainability reporting and its assurance process.

The news can be access using link:

<https://www.ethicsboard.org/news-events/2024-03/iesba-holds-three-interactive-webinars-proposed-iesa-and-ethics-standards-relating-sustainability>

- 2 IESBA Staff Releases a High-Level Summary of Prohibitions in the IESBA Code for Audits of Public Interest Entities.

The IESBA has published a summary focusing on independence rules for auditing public interest entities (PIEs). This summary clarifies the IESBA Code of Ethics for Professional Accountants by highlighting prohibited activities for PIE audits. It serves as a helpful reference for various stakeholders, including regulators, auditors, investors, and educational institutions.

The news can be access using link:

<https://www.ethicsboard.org/news-events/2024-03/iesba-staff-releases-high-level-summary-prohibitions-iesba-code-audits-public-interest-entities>

“

Balance is a feeling derived from being whole and complete; it's a sense of harmony. It is essential to maintaining quality in life and work.

”

— Joshua Osenga



Aamir Jan Muhammad

Chief Financial Officer



Muhammad Irfan Azam

Senior Manager, Examination



Muhammad Tariq

Manager, MARCOM



Muhammad Abid

Senior Officer, Examination



Nadia Shafqat

Officer, Accounts & Finance



Fahad Ahmed Hashmi

Deputy Director, MARCOM



Muhammad Faraz

Senior Manager, Examination



Alefyah Hasnain

Deputy Manager, MARCOM



Laiba Waqas

Senior Officer, Administration



Empowering Futures:

Career Counseling Session at SZABIST

On March 6th, 2024, the ICAP team conducted a counseling session at the Shaheed Zulfikar Ali Bhutto Institute of Science and Technology (SZABIST) Karachi, aiming to provide guidance and information to students enrolled in the BS Accounting & Finance program. The objective of the session was to enlighten students about the opportunities and challenges associated with pursuing a career in Chartered

Accountancy. Mr. Muhammad Hasnain Raza, who completed his articleship in the Winter 2023 session, shared valuable insights and personal experiences with the students, offering them firsthand knowledge about the profession.

Career Counseling Session at Hailey College of Commerce

On March 11, 2024, ICAP orchestrated an immersive career counseling session tailored for BS Accounting and Finance students of Hailey College of Commerce. Delving deep into the Chartered Accountant profession, the session provided comprehensive insights into eligibility criteria, study resources, and the exam framework. Students were also enlightened about available scholarships, rendering CA education more accessible. Additionally, the session shed light on qualification tiers, paper distributions, and exemptions post completion of a BS Accounting and Finance degree. Participants were equipped with a wealth of knowledge about the diverse career prospects and



CA qualification, empowering them to make informed decisions about their professional journey.

ICAP Participation in Career Fair & Expo



The Marketing and Communication Department (MARCOM) of ICAP actively engaged in two significant events: the Toloba University Expo hosted by the Dawoodi Bohra Community and a career fair at the DM School System KAECHS campus. These initiatives aimed to provide valuable insights into the Chartered Accountancy (CA) qualification and its career opportunities. By participating in these events, ICAP sought to bridge the gap between theory and practice, showcasing the demand for CA professionals in both local and international markets.



The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN

ICAP

WORLD

March 2024 - Newsletter

Vision

Enabling professional excellence while contributing towards sustainable economic development and promoting public trust.

Mission

To achieve excellence in professional competence, add value to businesses and economy, safeguard public interest; ensure ethical practices and contribute to good corporate governance while recognising the needs of globalisation.



Chartered Accountants Avenue Clifton,
Karachi-75600 (Pakistan).



(021) 111-000-422



Publications@icap.org.pk



www.icap.org.pk