

ICAI President CA. Atul Kumar Gupta Elected as IFAC Board Member

CA. Atul Kumar Gupta, President, The Institute of Chartered Accountants of India (ICAI) has been elected as the Board Member of International Federation of Accountants (IFAC) at the IFAC



Council Meeting in November, 2020. CA. Gupta has been elected for a period of three years from November 2020 to November 2023.

IFAC is a global organisation for the accountancy profession, dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies.

Beginning with 63 founding members from 51 countries in 1977, IFAC now comprises of 175 members and associates in 130 countries and jurisdictions worldwide, representing approximately 3 million accountants in public practice, education, government service, industry, and commerce.

IFAC's mission is to serve the public interest by: contributing to the development of high-quality standards & guidance; facilitating the adoption & implementation of these standards; contributing to the development of strong professional accountancy organizations & accounting firms and promoting the value of professional accountants worldwide and speaking out on public interest issues.

Internationally, CA. Atul Kumar Gupta is also serving on the Board of XBRL International and South Asian Federation of Accountants (SAFA). He is also a member of Public Sector Financial Management Committee of Confederation of

Asian and Pacific Accountants (CAPA) and representing ICAI in International Integrated Reporting Council (IIRC). He, earlier, has been the Chairman of Committee on Education, Training & CPD of SAFA.

Experience of CA. Gupta spans through education, examination, CPD, research, I&D and system development with strong focus towards IT architecture giving him adequate insight in to the accountancy profession. He has adequate International exposure & hands on experience in dealing with multilateral agencies & the capability to deal with multicultural teams including understanding of the work program of IFAC & has contributed significantly in building strong relationship between ICAI & IFAC.

On being elected on the Board of IFAC, CA. Atul Kumar Gupta said *"Being associated with IFAC reflects the recognition of the pivotal role being played by ICAI for the profession both nationally as well as internationally. We at ICAI are truly excited to work with IFAC, which is a global voice for the accountancy profession. Being associated with IFAC would allow me to work towards re-skilling the skillsets, equip professional with changing technology paradigm, building trust and inspiring confidence amongst various stakeholders, supporting the development and implementation of high-quality international standards, improving public sector financial management and working with member bodies to strengthen the profession globally."*

Describing his vision and priorities for the accountancy profession and IFAC activities, CA. Atul Kumar Gupta mentioned that *"He would like to see that economic issues and challenges being faced by the developing Countries & SMPs are appropriately taken up at global platform and suitable initiatives for professional accountants to enrich and equip them in new age technology skills, acquire strategic managerial skills besides continuing their prowess in accountancy, finance, taxation and business laws are undertaken."*

IFAC is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC's vision is that the global accountancy profession be recognized as a valued leader in the development of strong and sustainable organizations, financial markets, and economies.

IFAC's view is that a fundamental way to protect and serve the public interest is to develop, promote, and enforce high-quality, internationally recognized standards for auditing and assurance, education, ethics, and public sector accounting. These standards and related regulations are essential to ensuring the credibility of information upon which investors and other stakeholders depends and to achieving sustainable global economic development. As a result, IFAC supports the following independent standard-setting boards:

- International Auditing and Assurance Standards Board
- International Accounting Education Standards Board
- International Ethics Standards Board for Accountants
- International Public Sector Accounting Standards Board

It promotes convergence to the standards issued by the boards as well as to the International Financial Reporting Standards (IFRSs) set by the International Accounting Standards Board.

IFAC also issues tools, guidance, and resources to support member bodies and their members who are professional accountants in business or employed in small and medium practices—both of these groups play a critical role in the global economy. In addition, it collaborates with member bodies and works with organizations throughout the world to support the growth and development of the accountancy profession in emerging economies.

ICAI in Action

Exposure Draft of Amendments to Ind AS 117, Insurance Contracts

The Indian Accounting Standards (Ind AS) are based on the IFRS Standards issued by the International Accounting Standards Board (IASB), a high quality globally accepted Accounting Standards. In this regard, Accounting Standards Board (ASB) decided to issue the Exposure Draft of Amendments to Ind AS 117, *Insurance Contracts*, corresponding to amendments in IFRS 17 for public comments. It may be noted that in May 2017, the IASB issued new standard on insurance Contracts, IFRS 17, *Insurance Contracts*, replacing IFRS 4 which was in the nature of an interim standard pending the completion of the project on insurance contracts by the IASB. IFRS 17, first comprehensive international standard, sets out the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard. After issuing IFRS 17, *Insurance Contracts*, the IASB established a Transition Resource Group for IFRS 17 to discuss implementation questions, and meeting with stakeholders affected by the changes introduced by IFRS 17, including preparers and users of financial statements, auditors and regulators. It helped the IASB to understand the concerns and challenges that arose for some entities while implementing the Standard. In May 2019, the IASB issued the Exposure Draft of Amendments to IFRS 17. After considering comments on the Exposure Draft, in June 2020, the IASB published amendments to IFRS 17 including a deferral of the effective date of Standard by two years, i.e., from annual periods beginning on or after 1 January, 2023.

To remain converged with the IFRS Standards, in 2018, Ind AS 117, *Insurance Contracts*, corresponding to IFRS 17 was formulated which was cleared by the Council, ICAI. Moving forward in this direction in line with international developments, the Exposure Draft of Amendments to Ind AS 117 has been formulated corresponding to amendments to IFRS 17. Comments on the Exposure Draft may be submitted before January 24, 2021. For further details, please visit <https://www.icai.org/post/ed-amendments-to-indas-117-insurance-contracts>.

Exposure Draft of Lease Liability in a Sale and Leaseback - Proposed amendment to IFRS 16

The IASB, before issuing the new/amendments to IFRS Standards, issues the Exposure Draft (ED) for public comments across the globe. The Accounting Standards Board (ASB) of ICAI with the aim to provide an opportunity to the various stakeholders

Developments

in India to raise their concerns at the initial International Standard-setting stage (ED stage) itself, invites comments on the ED issued by the IASB. It also helps the Indian stakeholders to be aware of the preparations required for implementation of Ind AS in line with adhering to global timelines. At present, ED, **Lease Liability in a Sale and Leaseback - Proposed amendment to IFRS 16**, issued by IASB is open for comments by March 29, 2021: Through this ED, the IASB has proposed to amend IFRS 16, Leases. For details, visit <https://www.icai.org/post/ed-lease-liability-in-a-sale-and-leaseback>.

Advisory to follow the ICAI Valuation Standards 2018 while conducting any type of Valuation Engagement to ensure uniformity and transparency.

The Institute of Chartered Accountants of India has issued the ICAI Valuation Standards 2018 to ensure the consistent, uniform and transparent valuation policies for the members undertaking the Valuation Assignments. The ICAI Valuation Standards are applicable for all valuation engagements on mandatory basis for members undertaking valuation engagements under the Companies Act 2013. In respect of Valuation engagements under other Statutes like Income Tax, SEBI, FEMA etc, it will be on recommendatory basis for the members of the Institute. These Valuation Standards are effective for the valuation reports issued on or after 1st July, 2018. These standards come as ICAI's consistent drive to guide its members for ensuring high quality work and standards. Accordingly, ICAI Valuation Standards, 2018 are applicable on recommendatory basis for all the valuation engagements undertaken by members under various laws.

In this regard, all the members of the Institute are advised to follow the ICAI Valuation Standards 2018 while conducting any type of Valuation Engagement to ensure uniformity and transparency. Please visit <https://www.icai.org/post/advisory-icai-valuation-standards-2018>

Mandatory validation of UDIN in all Income Tax Forms

CBDT is validating Unique Document Identification Number (UDIN) generated from ICAI portal while uploading of Tax Audit and other Income Tax Reports as per their Press release.

Tax Audit Reports / Forms uploaded on e-filing portal from 27th November, 2020 and onwards

The Tax Reports / Forms will be treated valid only if their UDINs have been validated by CBDT E-filing Portal. For doing so, CAs will have a buffer time of

15 days to update their UDIN at e-filing portal in addition to providing the same instantly.

UDIN is being validated by e-filing portal online with UDIN Portal of ICAI on three parameters:

- Membership No of Member (MRN)
- UDIN
- Income Tax Form Number

Tax Audit Reports / Forms uploaded on e-filing portal between 27th April, 2020 and 26th November, 2020

CBDT has come out with this functionality of mentioning UDIN in IT Forms at e-filing portal from 27th April, 2020 onwards. It is being observed that some members though might have generated UDIN for IT Forms well in time but somehow missed to update the same on e-filing portal. On the persuasion of ICAI, CBDT has given a one-time relaxation by allowing them to update UDINs for forms latest by 31st December, 2020 for treating these forms as valid.

The members may kindly once again note that now the Form / Tax Audit Report for which no valid UDIN has been updated within the permissible time limit of 15 days will be treated as invalid. Considering the fact that now IT Form will be treated as Valid by e-filing only if the validation of UDIN is done and Taxpayer has accepted the form, it is recommended that members should plan the filing of the Tax Audit Reports without waiting for the last date to avoid any last-minute hassles.

For details please visit <https://www.icai.org/post/mandatory-validation-of-udin-in-all-income-tax-forms>.

Gazette Notification No.1-CA(7)/197/2020 Released

Draft of certain regulations further to amend the Chartered Accountants Regulations, 1988, which the Council of the Institute of Chartered Accountants of India proposes to make, is published, as required by sub-section (3) of Section 30 of the Chartered Accountants Act, 1949 (38 of 1949) for the information of all persons likely to be affected thereby. The said draft regulations will be taken into consideration on or after the expiry of a period of forty-five days from the date on which the copies of the Gazette of India in which these draft regulations are published, are made available to the public. These regulations seek to substitute FORM '18' in Schedule -A to the Chartered Accountants Regulations, 1988 (See Section 2(2) of the Chartered Accountants Act, 1949, Regulation 53B and Regulation 190 of the Chartered Accountants Regulations, 1988).