

### IFAC Releases Results of Recent SMP Quick Poll

In the second SMP Quick Poll, burden of regulation outpaced economic uncertainty as the most cited "biggest challenge" faced by practitioners' small- and medium-sized (SME) clients. Pace of regulatory change is the aspect of regulation that poses the greatest challenge for both small- and medium-sized practices (SMPs) and their SME clients. About one-quarter of respondents in the poll indicated that economic uncertainty is still the biggest challenge faced by SMEs. Similarly, when asked about the most important issue facing their practices right now, nearly half the respondents cited keeping up with regulations and standards (44 per cent), which was followed by attracting and retaining clients (26 per cent). The aspect of regulation that poses the greatest challenge for both small- and medium-sized practices (SMPs) and their SME clients is pace of change. Two questions were included to inform the work of the International Ethics Standards Board for Accountants (IESBA) SMP/SME Working Group, formed to address the challenges for SMPs and SMEs in complying with the IESBA *Code of Ethics for Professional Accountants*. Asked what guidance they would like to see added to the Code if it were to be expanded, the largest group of respondents said they would like to see additional ethical guidance on tax services; however, about one-third indicated that no further guidance is needed. Nearly 80 per cent of respondents said that case studies on how to apply the Code in specific typical scenarios would be useful or very useful. SMPs continue to generate the largest proportion of their revenue from traditional accountancy services, with nearly 90 per cent of practitioners citing audit and assurance or accounting and compilation as their main source of revenue.

(Source: <http://www.ifac.org>)

### New Private Sector Task Force of Regulated Professions and Industries

On behalf of the Private Sector Taskforce of Regulated Professions and Industries, IFAC has submitted the interim report *Regulatory Convergence in Financial Professions and Industries* for consideration by the G20 deputies. This interim report comes ahead of the a final report in September 2011 and focuses on global regulatory convergence, which is a critical issue for capital markets and is a matter on which the private sector has expertise that can assist the G-20 in its objective to achieve a level playing field in relation to regulation, including standards, and to provide comparability and consistency for investors, regulators and market participants.

(Source: <http://www.ifac.org>)

### IAESB Proposes Clarified Standard on Practical Experience Requirements for Aspiring Professional Accountants

The International Accounting Education Standards Board (IAESB) has released for public exposure a proposed revision of International Education Standard (IES) 5, *Practical Experience Requirements*. IES 5 currently prescribes the practical experience International Federation of Accountants (IFAC) member bodies should require before qualification as a professional accountant. In addition,

this IES can be helpful to educational organisations, employers, regulators, government authorities, and any other stakeholders who support the practical experience of professional accountants. The revision of IES 5 continues to support the use of practical experience in developing the competence of an aspiring professional accountant, but also proposes greater flexibility in measuring practical experience; permitting supervisors or mentors to direct an aspiring professional accountant's experience; and requiring practical experience to be recorded in a verifiable and consistent form. To access the exposure draft and submit a comment, visit the IAESB's website at [www.ifac.org/Education/ExposureDrafts.php](http://www.ifac.org/Education/ExposureDrafts.php). Comments on the exposure draft are requested by 8th October, 2011.

(Source: <http://www.ifac.org>)

### New Publication from ISACA and IFAC Helps Organisations Maximise the Value of XBRL

ISACA and the International Federation of Accountants (IFAC)'s Professional Accountants in Business (PAIB) Committee have jointly developed a paper, *Leveraging XBRL for Value in Organizations*, to provide guidance on how to leverage the value of eXtensible Business Reporting Language (XBRL) through effective implementation. XBRL is a universal language of business reporting that is increasingly being used for both external and internal reporting by organisations and is gaining traction worldwide. "Understanding how to embed XBRL within an organisation's information processes can enhance management communication, increasing the value of the information used within an enterprise," said Roger Debrecey, member of ISACA and co-developer of the XBRL paper. "ISACA collaborated with IFAC to develop this paper to provide accounting and assurance professionals with guidance they can rely on from trusted sources to leverage value from XBRL initiatives and compliance requirements." The paper can be downloaded free of charge from the ISACA (<http://www.isaca.org>) and IFAC web sites.

(Source: <http://www.isaca.org>)

### Tax Havens Draw 1/3<sup>rd</sup> of Money Invested Abroad as Outbound Investment

Almost one-third of the money that is invested abroad from India as outbound investments have been in tax havens. Over 80 companies invested in countries like Mauritius, British Virgin Islands and Cyprus - popularly known for their liberal taxation regimes, where usually not many questions are asked about investments to and from these markets. Investments by Indian companies in overseas markets were over \$5 billion in June, according to a Reserve Bank of India release on overseas direct investment, which the central bank has put in public domain for the first time. However, much of these outflows (\$3.9 billion) are in the form of guaranteed issues. Outflows worth \$600 million are in equities and \$900 million is in the form of debt. Most of the investments are in wholly-owned subsidiaries and joint ventures. Put simply, a tax haven is a foreign country that has unique offerings for investors, the primary one being relatively low tax rates in comparison to other countries.

(Source: <http://www.economictimes.com>)