

From the President



CA. Nilesh Shivji Vikamsey
President, ICAI

Dear professional colleagues,

Our economy is in a phase of transition, especially in the backdrop of various regulatory changes that have taken place and several initiatives and schemes of the Government that are launched and under implementation today. Whether it be the anti-black money drive through the income declaration and demonetisation schemes or the implementation of the biggest tax reform in the form of GST or the transition to financial reporting practices to the Ind AS converged with IFRS, or even the new Insolvency and Bankruptcy law, we as the Institute or professionals have found ourselves engaged on ensuring a smooth transition by addressing and complying with various issues arising in this phase.

However, we also need to acknowledge that at a time we have been caught up in dealing with the aforesaid transition, elsewhere in the world, the accountants are grappling with technology shift in both professional and ordinary lives. The scenario offers both a threat and opportunity. The latest trend

hinges on three areas of technology having particular relevance. First, given that accountancy is grounded in financial data, improved capabilities in data, including big data and analytics, will have a significant impact. The importance of data also emphasises the need for good cyber security. Second, technologies such as cloud, mobile, and social media deeply change the way that we can interact with clients and across businesses. Third, new financial technologies, including digital-currencies and distributed ledgers, will also have significant relevance to financial services and associated areas of accounting. On the basis of these technology trends, we see many examples of innovation across the profession globally. For example, Cloud accounting is now mainstream in many countries and enabling greater

collaboration between accountant and client, while Cyber Security has risen up in corporate agendas.

The Indian accountancy profession has to undergo a paradigm shift in terms of embracing technology. The key to this transition is technology-driven capacity building. I have been voicing these concerns before our stakeholders for quite some time. I have communicated these to the executives at our *alma mater* too. I would refer this as a shift to the *culture of technology*. To tame the technology, we will first have to embrace it.

Now, let me discuss some of the significant professional developments that have taken place in the last one month:

GST Implementation

It is highly creditable that India is now one step more close to the likely roll-out of GST from 1st July with the Union Cabinet recently clearing the four supporting GST legislations, i.e. Compensation Law, Central-GST (CGST), Integrated-GST (IGST) and Union Territory GST (UTGST), paving the way

for their introduction as Money Bill in the Parliament. A long proponent of this mega tax reform, we at the ICAI are very much alive to our role as its facilitator and are going all out for the purpose through giving suggestions on the draft laws to the Central and State Governments, with a series of GST dissemination and training programmes. As knowledge partner at the programmes on GST, we recently provided our resources to the Service Tax Commissionerate, Delhi I and III, in organising an interactive programme on GST and an outreach programme on Migration to GSTN respectively in Delhi.

ICAI has been organising a series of live webcasts on the Revised Model GST Law since January 2017, recordings of which are available for offline viewing at <https://www.youtube.com/indirecttaxcommittee>. The website www.idtc.icai.org too holds the offline webcasts, and offers regular indirect taxes updates, articles, information about upcoming programmes/seminars, e-publication on GST, etc., to those who register themselves at the website. Let's take full benefit of our GST initiatives and play our role as a partner in nation building.

Edinburgh and IFAC Board Meetings in New York

I along with ICAI past-President and IFAC Board member CA. K. Raghu, were in New York recently to attend the Edinburgh Group and IFAC Board meetings. The Edinburgh Group is an informal group formed to facilitate an exchange of views between parties interested in international advancement of accounting profession with specific reference to SMP/SME issues. On the sidelines of those meetings, we had a meeting with AICPA Executive Vice President (Public Practice) Ms. Sue Coffey and Director (International Affairs–Public Practice and Global Alliances) Mr. Jim Knafo, where the AICPA had expressed its keenness to work with ICAI jointly on the AICPA's cyber security resources and on valuation standards.

29th Chapter of ICAI Inaugurated in San Francisco

I am pleased to inform that I recently inaugurated

the 29th Chapter of the Institute, i.e. USA (San Francisco) Chapter of ICAI, in presence of International House Davis Board member Mr. Easan Katir, Mayor of Fremont Ms. Lily Mei, Mayor of Cupertino Ms. Savita Vaidhyathan and Consul at Consulate General of San Francisco Mr. Venkata Ramana, among others. It's a matter of great pride that ICAI is spreading its wings across the world adding to the success story of Indian accountancy profession and promoting the Indian CA brand.

CAW and IFAC Meetings

ICAI immediate past-President CA. M. Devaraja Reddy recently attended the Chartered Accountants Worldwide (CAW) CEO meeting and IFAC CE Forum. Later, he also attended IFAC Communication Director's Meeting. IFAC's Communications team held its first ever Communicators Seminar, *The Art and Science of Communications*, for members around the world, where the participants shared their concerns over the objective to enhance communications among member organisations.

Foreign Delegations to ICAI

In the last one month, ICAI has had the opportunity to host the following foreign delegations wherein we have discussed matters of mutual professional interest:

Risk Management Society, New York: A delegation of Risk Management Society (RIMS), New York, was at ICAI recently that comprised RIMS President Mr. Nowell R. Seaman, Vice President Robert Cartwright, CEO Ms. Mary Roth, Vice-President (Strategic Initiatives) Ms. Carol Fox, among other members of RIMS team. Their discussions with ICAI leadership dwelled upon the increasing focus on Enterprise Risk Management and multifaceted profile of today's CFOs, among others. The ICAI leadership also discussed about a possible collaboration with RIMS for the purpose to produce study material for ICAI curriculum relating to Risk Management. On the sidelines, RIMS delegation also addressed a webcast on *Gaining value from Enterprise Risk Management*.

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Ministry of Finance, Afghanistan: Program Manager (Treasury Department), Ministry of Finance, Afghanistan, Mr. Muhammad Zarif Ludin visited ICAI to discuss the proposed MoU between ICAI & Afghanistan and to take the matter of bilateral dialogue forward. ICAI and the Ministry of Finance of Afghanistan are both keen to take this matter forward to its logical conclusion.

AICPA and Chartered Institute of Management Accountants: Recently a delegation from AICPA and Chartered Institute of Management Accountants (CIMA) comprising EVP (Strategy, People & Innovation for the Association) Mr. Lawson Carmichael, MD (Europe, Africa & Asia) Ms. Irene Teng and Country Head (India-Management Accounting Association of International Certified Professional Accountants) Mr. Ajay Lalwani was at the ICAI in Mumbai. Both the institutions have agreed to undertake the knowledge management and resource sharing at their respective ends.

Meeting with Ministries of Commerce & Industry and Corporate Affairs and Other Stakeholders

The Ministry of Corporate Affairs had recently convened a stakeholders meeting and sought our views on developing short and long-term action plan to provide services in accounting and finance sectors to access overseas market, which was chaired by Joint Secretary (Ministry of Commerce) Shri Sudhanshu Pandey and Joint Secretary (Ministry of Corporate Affairs) Shri Amardeep Singh Bhatia, and attended by CII, FICCI, ASSOCHAM, NASSCOM representatives in addition to ICAI, Institute of Cost Accountants of India and Institute of Company Secretaries of India. I along with ICAI Vice-President CA. Naveen N. D. Gupta and my Central Council colleague CA. Sanjay Kumar Agarwal, among others, attended the meeting.

Rationalisation and ICAI Committees

In this Council Year (2017-18), I am happy to inform that the non-standing committees and groups of ICAI have been rationalised on the basis of shared vision, mission and objectives, and eventually to bring in clarity in mission and vision.

This year, we have 34 non-standing committees against the 43 last year. Some non-standing committees have been merged. Some have been converted into special-purpose groups and attached to the non-standing committee, based on their respective shared vision, mission and objectives. Some non-standing committees have been converted into independent groups. One new non-standing committee, two new groups and one new sub-group have been formed. I also had a day-long meeting with all ICAI Committees/Departments recently where we reviewed their respective role in the strategy action plan and both their short- and long-term goals. This rationalisation will bring better clarity in the workflow of the Institute and ensure a better human and infrastructural resource utilisation, a focused approach for achieving the action plan and facing the challenges of new age economy.

New Certificate Course on Alternate Dispute Resolution (Arbitration, Mediation & Conciliation)

In the light of the notification of Companies (Mediation and Conciliation) Rules, 2016 in September 2016 and Section 442 of the Companies Act, 2013 on the alternate dispute resolution (ADR) mechanism, I am happy to inform that the ICAI has started a *Certificate Course on Alternate Dispute Resolution (Arbitration, Mediation & Conciliation)* to help its members consolidate their skills in arbitration, mediation and conciliation and position themselves as multidisciplinary consultants in the service industry, as the CA professionals with their competence and independent approach are best suited to act as arbitrators, mediators and conciliators to settle the disputes through ADR mechanism.

Support-Desk for Implementation of Ind AS Launched

As you know, the implementation of Ind AS converged with IFRS had begun in India from 1st April 2016. For Phase II companies, this will begin from 1st April 2017 onwards, and banks, NBFCs and insurance companies will be required to implement the Ind AS from 1st April, 2018 onwards. To provide guidance on the implementation of Ind AS in the required spirit, ICAI has launched

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an online *Support-Desk for Implementation of Ind AS*, where the preparers of financial statements, auditors and members at large can submit their implementation issues and get them resolved. So far, the Desk has resolved about 100 queries. The Ind AS Transition Facilitation Group (ITFG) is also providing guidance through its clarification bulletins issued from time to time in response to the queries received. I am sure that these initiatives will really help in smooth transitioning to the Ind AS converged with IFRS.

Webcasts on CA IPC and Final Subjects/ Courses Started

I am happy to inform that the Board of Studies of the Institute has started organising relevant webcasts and mock tests on how to prepare a subject towards the Intermediate (IPC) and Final May 2017 examinations. The webcasts that have started on 20th March 2017, will go on till 17th April 2017, covering all subjects of CA Intermediate and Final courses. I request all of you to pass on this message to all students and facilitate their participation for better conceptual clarity and understanding: students will also be able to raise and resolve their queries, if any.

Toronto Chapter Launches Helpline for Canada CPA Candidates

To help our members acquire the Canadian CPA designation, I am pleased to inform that the Toronto Chapter of ICAI has launched a helpline platform. Some of our members who are among the recent successful CPA candidates, have offered to guide the members who are interested in pursuing CPA. Interested members may email their queries, etc., at cpahelpline@icaitoronto.com, and the helpline team will review the questions and respond within 48 hours.

More than 6000 Members Have Supported I Go Green with ICAI

To support the ICAI's green agenda, I would again request my thoughtful professional colleagues to decide and discontinue receiving the hard copy of *The Chartered Accountant Journal*. As you know, ICAI had launched this environment-friendly scheme, *I Go Green with ICAI*, last year, since the online digital versions of our Journal are

available in both PDF and e-magazine formats, at http://www.icaai.org/new_category.html?c_id=259. And then, we also send a regular monthly emailer of hyperlinked *Journal Highlights* to all our members. I am happy that, so far, more than 6000 members have opted to discontinue receiving hard copy of their Journal. As members of a responsible profession, let us say yes to this green drive of the Institute. For details, you may check http://www.icaai.org/new_post.html?post_id=12763&c_id=240.

According to the data released by Central Statistics Office, the economy has measured a faster-than-expected growth of 7 per cent in the fiscal third quarter, notwithstanding the demonetisation of high-value banknotes in November 2016 and its impact. It has been suggested that the rate of economic growth in the three months ending December slowed marginally from the 7.4 per cent in the preceding quarter. As members of CA fraternity, we have extended our complete support to the demonetisation and other anti-black-money drives of the Government, including the income disclosure scheme. We will keep welcoming and actively supporting all pro-development and anti-corruption agenda of the Government.

Now, let me extend my best wishes to you for *Ram Navami* (birth of Lord Rama) and *Mahavir Jayanti* (birth of 24th and the last Tirthankara Mahavira) that fall on 4th and 9th April 2017. Then there is *Good Friday* on 14th April, which is to commemorate the crucifixion of Jesus Christ. According to an African proverb, *if you want to go fast, go alone. If you want to go far, go together*. So, let us be together with an understanding that together we suffer less and enjoy more, as togetherness is strength in disguise.

To conclude, I exhort you to do what is right and not what is easy, which will help us evaluate ourselves and appreciate our profession.

Best wishes,



CA. Nilesh S. Vikamsey
President, ICAI

Mumbai, 27th March 2017