



CA. Nilesh Shivji Vikamsey
President, ICAI

My esteemed professional colleagues,

I wish you a very happy *CA Day*. On 1st July 2017, our Institute will complete 68 years of its glorious journey of excellence. Analysing the importance of accountancy profession *vis-à-vis* economic development, an IFAC study has mentioned: *Accountants play an important public interest role, working throughout society to strengthen organizations and enhance economies.*

The world has changed so dramatically over the past decades that we cannot be in the same way as we were or how we were taught to be. All members need experience developing three emerging literacies to thrive in the competitive and exciting future we are facing. First, we need to take on the habits of smart and creative entrepreneurs, second, have innovative thought process, and third, understand how artificial intelligence functions. A successful life does not only mean materialistic achievements and success in profession or business. Life of a person becomes purposeful when one carves one's path, accumulates good traits and, instead of demanding, helps and contributes. It is our attitude and the choices we make that take us to the right track of our life,

inspiring us to live to the fullest, which we deserve.

Great physicist Stephen Hawkins says: *Intelligence is the ability to adapt to change.* Being practitioners of an intelligent profession, we can easily adapt ourselves to a change and we have the ability to utilise that as an opportunity. This change that may shift us from the inertia of our comfort zone will be challenging but productive too.

Now let me present some of the significant developments that have taken place in the accountancy profession since I had communicated last:

Initiatives - Government

GST Roll Out from 1st July: ICAI Facilitating Smooth Implementation

While you are reading this, the historic Goods and Services Tax (GST) regime would have already been rolled out,

with effect from 1st July 2017. Our Prime Minister said recently on the GST preparedness that it is indeed a turning point in the country's economy and unprecedented moment in the country's history. The implementation of this biggest tax reform since independence in the spirit of *One Nation, One Market, One Tax* will benefit our national economy. Here, what needs to be particularly watched out for is the preparedness of systems and processes in business including IT.

We at ICAI are extending all our resources, expertise and efforts to make the GST transition as smooth as possible. Besides organising a series of GST conferences and seminars, we have set up *ICAI GST Sahayata* desks in major cities, where our members will resolve queries of small businessmen, traders and retailers in GST implementation on *pro bono* basis. These desks have been made operational at more than 100 Branches of ICAI as on date.

After providing suggestions on the draft laws earlier, ICAI has recently submitted its suggestions (Part I) on the GST Act(s) and Rules. To reach the maximum people in minimum possible time, we have also launched *Virtual Certificate Course* on GST, which is being conducted at 60 locations covering 1,700 members in one go. In addition, more

than 1,500 workshops and training programmes have been organised till 31st May 2017, wherein more than 1 lakh participants have participated and substantially more members will participate in June–September 2017. Various ICAI publications on GST have been updated and made available to the members.

Let's make the GST implementation smoother for Government, business and industry.

Meeting with CBDT Chairman

I along with my Central Council colleague CA. Sanjay Kumar Agarwal, ICAI Secretary Shri V. Sagar, and ICAI's Disciplinary Committee Director, among others, recently met CBDT (Central Board of Direct Taxes) Chairperson Shri Sushil Chandra and discussed matters of professional concerns.

Representations Submitted to CBDT

- *SFT-Filing and Related Matter:* ICAI had sought clarifications from the CBDT regarding filing of statement of financial transaction (SFT), submission of SFT preliminary response in case of NIL transaction and NIL SFT. CBDT has issued a clarification on the same. Also, considering the problems of the first-time filers, through another representation, we had requested the CBDT to extend the due date of filing the SFT, which was also favourably considered and the deadline of filing SFT was extended to 30th June 2017.
- *Exemption under Section 139AA(3):* ICAI submitted its representation to the CBDT suggesting that in exercise of powers conferred under Section 139AA(3), exemption may be provided to the residents of Assam and Meghalaya till the time the procedure of allotment of Aadhaar is fully implemented in these states. CBDT favourably considered our suggestion and issued a Notification, *inter alia*, granting exemption to an individual who does not possess the Aadhaar number or the Enrolment ID and is residing in those States and Jammu and Kashmir.
- *Valuation of Shares and Draft ICDS on Real Estate:* ICAI has also submitted its inputs on the draft rules relating to valuation of unquoted equity share for the purposes of Section 56 and Section 50CA of the Income-tax Act, 1961, and a representation on the draft ICDS (Income Computation and Disclosure Standards) on Real Estate Transactions.

International Initiatives

ICAI's 30th Foreign Chapter Inaugurated in Netherlands

In view of ever-increasing globalisation and rising role of the Indian professionals in world business, one of our focus areas has been to strengthen and promote the brand Indian CA globally. Recently, we inaugurated the Netherlands (Amsterdam) Chapter of ICAI, which takes the tally of our foreign chapters network to 30. Vice Mayor of Amstelveen (Greater Amsterdam Area) Ms. Maaïke Veeningen, First Secretary of Indian Embassy in the Netherlands Shri Vijay Kumar Jaiswal and India Desk Head and Senior Manager (Foreign Investments) at Amsterdam in Business Ms Jolanda van der Aart, among others, were present on the occasion. Indian Ambassador designate to the Netherlands Shri Venu Rajamony delivered a special address through videoconference. The event was also attended by the representatives of Indian companies based in the Netherlands, NBA (*Koninklijke Nederlandse Beroepsorganisatie van Accountants* - The Royal Netherlands Institute of Chartered Accountants) and NFIA (Ministry of Economic Affairs), among others. We had productive meetings with VRC (*Vereniging van Registercontrollers* - The Netherlands Association of Registered Controllers) and NBA, discussing the potential collaboration.

I am sure, this development will boost the bilateral relationship between India and the Netherlands.

Edinburgh Group and IFAC Board Meetings in New York

I attended the Edinburgh Group meeting and, then, along with ICAI past-President and IFAC Board member CA. K. Raghu, attended the IFAC Board meeting on 14th-16th June 2017 in New York.

CAW's CEOs and Stakeholders' Institutional Meetings in London

I along with ICAI Director Shri Rakesh Sehgal, attended the CEOs meeting of Chartered Accountants Worldwide (CAW) on 22nd May 2017.

We also had meetings with the representatives of ICAEW (The Institute of Chartered Accountants in England and Wales), IIRC (The International Integrated Reporting Council), CIPFA (The Chartered Institute of Public Finance and Accountancy), ICAS (The Institute of Chartered Accountants of Scotland) and ICAZ (The Institute of Chartered Accountants of Zambia):

- With ICAEW, we discussed on collaborative issues and agreed to renew our MoU that is expiring in November 2017.

- With *IIRC* CEO, Mr. Richard Howitt, we discussed better engagement in India, while agreeing to enter into an MoU.
- In our meeting with *CIPFA*, we received their commitment to support our proposed programmes of development in public financial management. We are exploring an MoU with *CIPFA* in further areas of bilateral collaboration.
- At our meetings with *ICAS* and *ICAZ*, we agreed on initiating an MRA (mutual recognition agreement) dialogue.

Meeting with ICAN Delegation in Mumbai

I along with my Central Council colleagues CA. Shiwaji Bhikaji Zaware and CA. Mukesh Singh Kushwah, ICAI Secretary Shri V. Sagar and ICAI Director Shri Rakesh Sehgal met a delegation from ICAN (The Institute of Chartered Accountants of Nepal) on 12th June 2017 in Mumbai, which comprised its President Mr. Mahesh Khanal, Vice-President Mr. Prakash Jung Thapa and immediate past-President Mr. Prakash Lamsal, and discussed the bilateral issues and concerns.

IMF Meeting: Development in Insolvency Laws in India

Representatives of International Monetary Fund, Senior Counsel and Coordinator (Insolvency and Creditor Rights) Mr. José Garrido and Economist Mr. Sudip Mohapatra, met me and my Central Council colleagues CA. Dhinal Shah and CA. (Dr.) Debashis Mitra to understand the developments in insolvency laws in India.

Initiatives for Members

Exemptions for Private Companies as per Section 462 of Companies Act, 2013

Ministry of Corporate Affairs (MCA) has issued notifications to give further exemptions to private companies, Government and Section 8 companies from certain provisions of the Companies Act, 2013 (Act) as per Section 462 of the Act. To encourage entrepreneurship and provide ease of doing business, the MCA has provided exemptions to start-up companies under the Act. Further, it has extended the exemption from the provisions of Section 143(3) (i) relating to the *reporting on internal financial control* to a private one-person company or a private company which has turnover less than ₹50 crore as per the latest audited financial statement or which has aggregate borrowings from banks or financial institutions or any body corporate at any point of time during the financial year less than ₹25 crore.

Online Member and Firm Card Online

We have made the Member Card and Firm Card online on the Institute website where any Member/Firm can validate themselves and see his/her details related to Membership concern/Firm Concern online. The same can be accessed using <http://eforms.icai.org/reprintletter/membercard.aspx> (for Member Card) and <http://eforms.icai.org/REprintletter/Firmcard.aspx> (for Firm Card). This will boost our Green drive, apart from making the processes smoother and more user-friendly.

40 Years of ICAI-ASB Celebrated in Mumbai

ICAI recently celebrated the 40 years of illustrious journey of its Accounting Standard Board (the Board) in Mumbai. As part of its 238th meeting, all its past Chairmen since its formation in 1977, NACAS (National Advisory Committee on Accounting Standards) Chairmen and Central Council members were invited to share their wisdom. At the function, we released a booklet titled *Accounting Standards Board—Leading the Way in Accounting Reforms 1977 to 2017*, which chronicles the Board's memorable journey. Appreciating the Board's role in enabling the nation with a robust accounting standards framework of global standard, the dignitaries agreed that the Board has served the larger public interests of good corporate governance and accountability and highlighted a need to strengthen the ICAI's Technical Directorate. These dignitaries, some of whom have adorned the distinguished office of ICAI President in the past, advised the Board to ensure that India's voice is suitably echoed in international forums, increase effective dialogue with key stakeholders and undertake research, technical studies and post-implementation reviews of the accounting standards.

Action in Few Exceptional Cases of Professional Misconduct Post-Demonetisation

ICAI has been playing a crucial role in the Government's anti-black money drive. Our role in the Income Disclosure Scheme, 2016 has been acknowledged by our Finance Minister Shri Arun Jaitley. The Indian accountancy profession has been supporting the Government in discouraging the parallel economy and encouraging transparency in the financial affairs of our country.

Few exceptions of erring members had been reported to ICAI in demonetisation period. Board of Discipline (BoD) of ICAI considered five cases against those members, who had been alleged to be advising/ guiding in a manner encouraging money-

laundering. The inquiry in four out of five cases has been completed and the said Chartered Accountants have been found guilty of bringing disrepute to the profession thereby violating the provisions of the CA Act. BoD has imposed the maximum penalty on the said erring members as envisaged under the CA Act. BoD, in view of the allegations, completed the proceedings in the shortest possible time. Let us recommit ourselves to our Code of Ethics and the spirit of partners-in-nation-building.

Initiatives for Students

Revised Scheme of Education and Training for CA Course Comes into Effect from 1st July 2017

In view of the constantly evolving CA profession and to meet the desired expectations of stakeholders in strengthening our education and training, we have formulated the *Revised Scheme of Education and Training*, which is in sync with the dynamic global business environment. In this scheme, the technical competence, professional skills, professional values, ethics and attitudes expected from Chartered Accountants are being redefined and upgraded in order to gear aspiring Chartered Accountants to take on newer roles. I am happy to inform you that this *Revised Scheme* for the CA course will be effective from 1st July 2017, and hence, registration in the CPT/IIPCC/Final under the existing scheme will discontinue from 1st July 2017.

The *Revised Scheme* is in line with the International Education Standards issued by the IFAC and has been formulated after carefully considering the inputs from various stakeholders. *Revised Scheme* of the course is available at <http://resource.cdn.icai.org/>. To answer the queries that may arise in the mind of stakeholders with respect to the Revised Scheme, FAQs have been framed, which are available at <http://resource.cdn.icai.org/>. A detailed implementation schedule is available at our website <http://www.icai.org/>. I am confident that our *Revised Scheme of Education and Training* will go a long way in making our next generation Chartered Accountants multi-dimensional professionals, and prepare them to take up a range of newer roles in the service of society and the nation.

Initiatives - Institute

Encouraging Reponse to Mobile App ICAI Now

ICAI's mobile app *ICAI Now* has been a revolutionary step in disseminating information of ICAI to empower its members and students, and other stakeholders, making the access possible

from wherever, whenever. This is in line with the Institute's constant endeavours to adopt global best practices and harness technology to achieve objectives. The app is now available on all major platforms i.e. Android, iOS, Blackberry 10 and Windows. Having undergone various enhancements keeping in mind the best practices, upgradation of technology and feedback received, the app is getting tremendous response. With an average rating of 4.2, the Mobile App ICAI Now has to this day been downloaded by more than 3,50,000 users, and the number is increasing by the day. You can download ICAI mobile app from www.icai.org/mobile. You can also download it directly from major app stores.

In India, 1st July is also celebrated by doctors as *Doctor's Day*, and internationally, it is celebrated, among others, as *Canada Day*, *Independence Day* in Burundi, Rwanda and Somalia, and as *Republic Day* in Ghana. Despite the diversity of reasons to celebrate, the spirit remains the same – to be happy and responsibly extend our happiness to others around us. This year incidentally, the *CA Day* also coincides with the implementation of GST in India and that of the new Scheme of Education and Training for our own CA course, which will make this CA Day a historic and memorable day.

I take pride to inform that the Hon'ble Prime Minister of India Shri Narendra Modi Ji has kindly agreed to deliver a special address on our CA Day. In 2013, he had attended our National Convention of Chartered Accountant Students held in Ahmedabad as Chief Minister of Gujarat, where he had acknowledged: *It is well known that a doctor treats the diseases but few people know that a Chartered Accountant looks after the health of the society.*

Let us continue to act responsibly and, with our professional integrity in place, let us rededicate ourselves to the economic health of our nation.

Best wishes



CA. Nilesh S. Vikramsey
President, ICAI

New Delhi, 24th June 2017