

ICAI in Media

ICAI in Media : Glimpses of July and August 2018



New Delhi, July 17, 2018

Now, unique number to check authenticity of CA-certified documents

Move to help banks, regulators tackle forged/wrong documents

ICAI SAYS:

Banks and regulators will now have a mechanism to check the authenticity of various documents certified by practising chartered accountants.

To tackle the menace of forged certifications of financial statements and documents, the CA Institute has come up with an innovative concept of Unique Document Identification Number (UDIN).

It has come to the notice of

The unique number will be generated for every document certified by a practising CA and registered with the UDIN portal. Regulators and banks can use the portal to check the authenticity of the documents.

The new system has gone live from July 1, but is only recommended to start from October 1, as there is time mandatory for the CA Institute to register other stakeholders who rely

upon them, it was felt. The CA Institute that financial statements and documents are getting certified by third parties — [https://udin.icai.org](http://udin.icai.org) — offers the facility to the public to register with the CA Institute and get them secured, sources added.

ments certified by practising Chartered Accountants who have registered on the said portal.

Tracing the documents

This would help them trace forged/wrong documents prepared by any third person in the name of chartered accountants as a person other than the chartered accountant will not be able to upload the documents on the portal.

The CA Institute has now introduced a feature where regulators and banks can register the documents certified by them and get them secured, sources added.

Business Today

ICAI calls for simpler GST law, more transparency, speedy redressal of complaints

New Delhi, July 18, 2018

The Institute of Chartered Accountants of India (ICAI) has submitted as many as 121 suggestions on various topics under Goods and Services Tax (GST) to Interim Finance Minister Piyush Goyal. The accounting body has suggested that all goods, including petroleum, alcoholic liquor, and electricity, should be brought under the GST at the earliest. Other laws governing the levy of taxes on these non-GST goods should be repealed, it said.

The ICAI has also given suggestions to simplify the GST law, GST compliance, system integration and testing, delay in response from GSTN helpdesk, among others.

The ICAI said policy, law and procedural related issues on GST have been identified by those involved in the GST implementation, based on which it has proposed some changes in the overall GST structure.

On the simplification of the GST law, the ICAI said it should be made less complex so everyone -- from a layman or an unorganised taxpayer to big businesses -- can understand it without any help from a tax expert.

The national professional accounting body of India said that compliance under the GST law should be transparent, which would ease out compliance process and cut cost.

Considering the bulk of enquiries made to the GSTN help desks, the GSTN helpdesk is overloaded. The body said the government should deploy additional manpower to address issues at the earliest, which would lead to its smooth functioning.

The accounting body said officials need to be trained on tax terror problem prevalent in India, in addition to introducing a proper exam for these officials to ensure qualified candidates are hired by the organisation. Those who listen to or adjudicate complaints should also be given special training, said the ICAI.

New rules should be framed regarding 'third country trading or manufacturing', which it said should be exempted from GST implications. On the issue of taxability of transferable development rights, the ICAI said a clarification should be issued that Transferable Development Rights (TDRs) are not taxable under the GST laws as they are immovable property rights.

'Job work' means any treatment undertaken by a person on goods belonging to another registered person. "By this, it appears to cover any repair, maintenance, etc. A provision must be inserted to the definition of 'Job Work' to say it will not include repair or maintenance," said the body.

Other topics touched upon the accounting body include 'classification and exemption', 'scope of supply', 'composite and mixed supply', composition levy, tax invoice, IGST levy and collection, etc.

Business Standard

ICAI clarifies on Ind AS 115 regarding real estate sector

New Delhi, July 21, 2018

Coming out with a clarification on Ind AS (Indian Accounting Standard) 115 in the context of real estate sector, chartered accountants' apex body ICAI today said recognition of revenue as construction progresses is possible considering the circumstances of individual case.

The Ind AS 115 pertaining to revenue recognition came into effect from April 1... the ICAI would like to clarify that the Ind AS 115 does allow recognition of revenue using Percentage of Completion Method (POCM) and has explicit and specific requirements to recognise revenue, where performance obligation is satisfied over a period of time," the institute said in a release.

The ICAI said an entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, in case the customer simultaneously receives and consumes the benefits provided by the entity's performance.

The performance obligation is satisfied and revenue is recognised also when the entity's performance creates or enhances an asset, including when work is in progress, that the customer controls as the asset is created or enhanced.

Also, if the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date, performance obligation is satisfied.

According to a notification issued by the Corporate Affairs Ministry, the objective of Ind AS 115 is to establish the principles that an entity should apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer."... recognition of revenue as the construction progresses is possible considering the prevalent long established legal system/jurisprudence in India, and facts and circumstances of individual case/contract," the Institute of Chartered Accountants of India (ICAI) said.

The clarification from ICAI has come after it came to the institute's attention that there have been misleading and confusing media reports that Ind AS 115, Revenue from Contracts with Customers, permits only Completed Contract Method of accounting for real estate companies.

Business Standard

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Cabinet approves MoUs for advancement of accounting knowledge

ANI, New Delhi, July 18, 2018

The Union Cabinet on Wednesday approved two Memorandums of Understanding (MoU) regarding the Institute of Chartered Accountants of India (ICAI). One agreement will be signed by ICAI and the Bahrain Institute of Banking and Finance (BIBF) in Bahrain, and the other with the National Board of Accountants and Auditors (NBAA) in Tanzania for the advancement of knowledge. Tanzania will help in indirect employment generation for Indian chartered accountants through recognition and acceptability amongst Tanzania-based employers.

The MoU would provide an opportunity to ICAI members to expand their professional horizons and, will foster strong working relations between the ICAI and NBAA, in Tanzania, and establish mutual co-operation framework in the areas of member management, technical research and professional accountancy training.

In Bahrain, the government aims to build a positive impact for Indian CAs currently working in Bahraini markets, and also to make it relatively easier for those intending to move there.

Bahrain, with ICAI assistance, aims to develop the area of accounting and auditing performance, thus addressing the issue of creating a base of competent accounting professionals to pave the way for gradual skill development in accountancy.

ICAI will provide technical assistance to BIBF by reviewing the current curriculum related to accounting and finance, accounting and finance. It will also recommend the introduction of its CA Course curriculum that will facilitate BIBF students to write ICAI's Examination with an aim to acquire membership of ICAI.

For those unversed, ICAI is a statutory body established by an Act of Parliament of India, 'The Chartered Accountants Act, 1949', to regulate the profession of Chartered Accountancy in India.



New Delhi, July 21, 2018

ICAI to study fiduciary proposals

New Delhi, July 20

The Institute of Chartered Accountants of India (ICAI) has set up an expert group to study the proposals made by SEBI for regulating fiduciaries in the securities market. SEBI has been looking to strengthen its oversight mechanism and has proposed a strict set of norms for fiduciaries in the securities market as part of its larger efforts to curb financial misdoings. Under the norms proposed, defaulters would face stringent penal actions, including ban from securities markets and disgorgement of fees. PTI

