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21ST WORLD CONGRESS OF ACCOUNTANTS

18-21 NOV 2022 / MUMBAI

21st World Congress of Accountants, 2022 –
Mumbai, India

Day 3 - Sunday, November 20, 2022

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Day 3 of the 21st World Congress of Accountants (WCOA) witnessed sizzling deliberations across sessions, which were spread over a mix of varied themes spanning from entrepreneurship, taxation, reporting, assurance, wealth creation & much more, as delivered by prolific speakers across the country. We are glad to bring to you the summarized excerpts from few key sessions as follows:

Session S6 - Technology, Innovation & Entrepreneurship

Speaker

Mr. Sridhar Vembu (CEO, Zoho Corporation)

Summary



In the maiden session of Day 3 of the Congress, **Mr. Vembu** delivering an invigorating speech where he enlightened that *“Here is the problemThe world global civilization is in a severe state of imbalance against our planetand that shows up in terms of consuming natural resources, overwhelming ecosystems, oceans are overfished ... so what do we do ? So ultimately we have to achieve balance with Mother Earth in order to sustain humanity in the long term...as the survival of our species is at risk ... which requires us to achieve internal balance in our own minds ...and that is the word I used*

...and that is the word I used



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‘contentment’ ...if we don’t have contentment ... we are going to destroy the earth purely by our extreme consumption...so what is contentment? It is the state of balance we have in our own minds... and that is the only path to achieving balance with mother earth ...this notion is deeply Indian....so balance, symmetry, harmony & contentment ... this is only way I believe we are going to achieve economic prosperity, civilization balance and balance with mother earth... so it is balance in our trade, balance in our technological abilities, balance in our society and balance in our minds... this is how I believe economics should be re-built... which I would call for a lack of a better term as spiritual economics.”

Session S7 - Enhancing the Startup Eco System

Speakers

CA. Sunil Goyal (Past President, ICAI), **CA. Suresh Prabhu** (Former Union Minister with 10 portfolios Six times Member of Parliament Founding Chancellor of Rishihood University; Visiting Professor, London School of Economics and Political Science.)

Summary

India has become the third-largest startup ecosystem in the world after the US and China and the pace of growth is not showing any signs of slowing down.

Against this backdrop, the session on ‘Enhancing the Startup EcoSystem’ began in full swing wherein experts **CA. Sunil Goyal** and **CA. Suresh Prabhu**, enlightened the audience with their views on the growth drivers for a flourishing startup ecosystem. To set the stage, CA. Sunil Goyal briefed about the terms ‘startup’ and ‘ecosystem’ and expressed his personal view that “*there are two modes - top down and bottom up, and the startup should come from bottom up approach*”. He pointed out that according to factual data, in 2021 i.e. in the second year of Covid, India witnessed a larger no. of startups than prior years, calling it a miracle as the





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number rose exponentially at the time of uncertainties. He concluded on an optimistic note that more successful startups will be mushrooming in India, once an ecosystem as that of the Silicon Valley is developed.

Moving forward, CA. Suresh Prabhu dwelled upon the basis of human survival which is innovation, the intrinsic capability of human mind and went on to say that “*the first start-up of the world was the person who discovered fire*”.

He cautioned about the issues and challenges that are faced by the startups, such as deployment of resources, contracting money supply, rise in inflation, increasing interest rates, technological changes at an unimaginable magnitude and the rising uncertainty. Quoting



the classic example of **Silicon Valley**, the speaker harped on the importance of an ecosystem and to ensure that everything happens at the same time for the startup ecosystem to survive, and cited that the success of the US is attributed to the Silicon Valley, which is the ecosystem that everyone talks about, where they convert an idea into a successful business venture.



Thereafter he quoted that, “*If there was no Silicon Valley, I don’t know how many startups would have succeeded*”. Stating that, the big trees survive because of the small things that grow below them, small plants survive because of the micronutrients that they are fed, he labeled **money** as the nutrient and

fertiliser for startup, and emphasized on the identification of global problems and the need to think together and **find entrepreneurial solutions** to those.





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Referring to the issue of climate change, which is being discussed at the ongoing COP 27 event, he urged that as CAs/auditors/ accountants, there is a dire need to address climate change, not only by mitigation and adaptation, but by conducting **forensic audits** of reasons for climate change to address underlying issues. He elaborated the success story of food delivery startups, who are though not profit making currently but whose valuation goes through the roof, as they addressed a socio-economic problem faced by the society where the husband and wife are both working and don't want to cook food after coming back home from work. He further urged professionals to find out ways to address issues with an entrepreneurial spirit. He expatiated that the broader theme should be '**how to make the world a better place**' for startups to thrive and succeed, to be sustainable from a long term business perspective. He reiterated that startups will continue to be there, as **survival is intrinsic**, and for survival an ecosystem is needed. He was impressed with new ideas generated by young Indians, and went on to say that the ecosystem does not require education institutions, but **an environment for promotion of startups**. If the educational system is aligned to promote startups in a different way, that is how startups can thrive and flourish. In his closing remarks, he urged everyone to **think differently** and contribute to making this world a better place!





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Keynote Address : Session S8 – Igniting Innovation in Global Professional Landscape

By CA. Dilip B. Desai (Chairman, DHC International)

Summary

On the theme of ‘Igniting Innovation in Global Professional Landscape’ Mr. Desai opened the session by stating that transformation is imperative, but what is that Transformation?



In this context, Mr. Desai proposed 9 important transformational actions/navratnas/9 gems, whereby *“If all of them are ingrained together in one network that would be an innovation that the world will celebrate which will truly ignite the professional landscape.”*

The 9 gems presented by Mr. Desai are

- 1. SMP Focused Global Network – Large Firms at Strategic Locations & SMPs Globally** – There is a clear need for a global initiative to have a network to focus on SMPs which will up skill, upscale and empower SMPs world over. This network will be the future leader of the accountancy profession.
- 2. Global Centre of Excellence – Borderless Service Organisations for the Borderless Business World** - These are not delivery centres of global outsourcing but global centres of excellence providing high quality professional support available at a very rational cost.
- 3. Global Network with Multi-Disciplinary Firms (MDFs)**





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4. **Hybrid Operating Model for Consulting Vertical** - The global professional landscape today demands a unique hybrid model for consulting services which blends the best of both worlds, namely own offices, set up at strategic locations along with global network model to scale up and provide the best in class, seamless and unified services to clients with a wider reach across the globe. This will accentuate the pros and mitigate the cons.

5. **Dual Network – Spilt of Assurance & Consulting Services** – where the audit and consulting services could be independently and parallelly co-exist

6. **Public Listing of the Consulting Vertical** – Emphasising on how consulting firms are separating from accounting firms and listing for recognition and monetising the value created by them, Mr. Desai reminds the crowd “Who has taught them about the value of the billions of dollars, you the Chartered Accountants. The seat of Knowledge is above the seat of karma. By that principle you all deserve a seat above the seat of any industrialists”.

7. **Global Skill Academy** – For catering to the need of continuous education especially to upskill the huge talent pool available in the SMPs, professional services, in the fields of consulting, tax, etc., the global professional landscape will be ignited by such a skill academy

8. **Foundation for Policy Advocacy**

9. **Technology, trust and sustainability** – SMPs enjoy unparalleled trust of their clients, upscaling them can enable in their sustainability.





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Session S10 - Taxation in the New Global Era

Speakers

CA. Ved Jain (Past President, ICAI), **Mr. Arvind Datar** (Prominent Senior Advocate)

Summary



Drawing reference to one of his favorite quotes which states, *“the tragedy of life is not aiming high and missing, but aiming low and hitting.”* **Legal Luminary, Sr. Adv. Arvind Datar** kickstarted his insightful address on the subject of “Taxation in the New Global Era

(Indirect tax).” At the outset, he expressed that the most important challenge currently in the international tax & BEPS landscape is, the allocation of taxing rights. Making an extremely apt point he quoted that, *“The need of the hour is DTAA (Double Taxation Avoidance Agreements) for indirect taxes. A model treaty should be worked out by OECD.”* Throwing light on **four particular controversial/contentious issues** namely, (i) extra territorial operation versus extra territorial legislation, (ii) taxation by India/recipient country on services rendered outside their territory, (iii) indirect tax – avilment of indirect tax credit & (iv) equalization levy/GST, the Luminary fiercely opined that, *“Place of supply is major problem in indirect taxes.”*

With respect to a participant’s question on *“Are we still looking at having a Direct Tax Code (DTC) in India. Will that not simplify taxation structure?”* The expert answered that, *“DTC is not necessary at all ...a simplified tax is very difficult to achieve unless you have a flat tax*





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regime.... whatever DTC I have seen ... it is nothing but the same income tax act in a different form... I ask myself if you have DTC what are you going to do? Are you going to abolish capital gains? What about PGBP? Let the income tax be there...just eliminate the unnecessary provisions of the income tax act.”

Thereafter, ICAI Past President, CA. Ved Jain began his speech on the topic of “**Taxation in the New Global Era (Direct Taxes)**.” Stating that “now DTAA’s are not going to help at all”, he goes on to opine that “it is going to be a multi-country arrangement – where all these countries come together and have an arrangement to make the tax law clear & simple for the taxpayer....the tax administrations/governments need to come up with a model to balance this out and decide out of the pie, how much money/tax will be paid to one country and how much will be paid to the other... “

Session S11 - ICAI – Robust Regulatory Framework

Theme Address

CA. B. P. Rao (Past President, ICAI)

Panelists

CA. Ranjeet Kumar Agarwal (Chairman, Taxation Audit Quality Review Board), **CA. Anuj Goyal** (Vice Chairman, Peer Review Board), **CA. Durgesh Kumar Kabra** (Chairman, Financial Reporting Review Board), **CA. Prasanna Kumar D** (Convenor, UDIN Directorate), **CA. Abhay Chhajed** (Vice Chairman, Financial Reporting Review Board)





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Summary

CA. B. P. Rao, commenced the session by quoting that “*Sound global financials architecture depend upon the independent accounting profession supported by high quality of profession standards and robust regulatory framework and strong corporate governance*“. Referring to the 4 Committees of ICAI falling under its regulatory framework viz. the Executive Committee, Examination Committee, Disciplinary Committee and Finance Committee; Mr. Rao opined that “*I think ICAI is the only institute to have both licensing and regulatory powers.*” He further ironically remarked that the **2009 Satyam case has been a blessing in disguise as because of the same, the quality of reporting has gone up significantly.**

Moving forward, CA. Ranjeet Kumar Agarwal, shared valuable insights on the recent topic of ‘**Unique Document Identification Number (UDIN)**’ which is conceptualized and developed by ICAI merely three years ago. Explicating three important aspects that the UDIN is addressing viz. (i) safeguarding the profession, (ii) regulating the profession and (iii) analyzing how to engage the profession in framing policies with the government; Mr. Agarwal remarked that “*So far ICAI is the only institute to develop this concept in India, wherein you are owning your signature.*” Sharply shooting that “*More than 700 crore fraud has been unearthed by using this UDIN.*”, Mr. Agarwal proceeded to highlight how Bangladesh too has developed this UDIN and witnessed a growth in its economy. Lastly, while elucidating how the concept of UDIN can be utilized in MGNREGA audits and MCA audits by analysing the gaps between funds utilized and unutilized, and companies existing and companies audited, respectively; Mr. Agarwal firmly opined that “*This one initiative can change the policy making of this country...it can change the entire landscape of India.*”

Next, CA. Anuj Goyal, harped on the theme of ‘Peer Review’ and referred to it as ‘*Audit by the auditor of an auditor*’. Expressing that, “*I think we (ICAI) are the first one to introduce the Peer Review concept in the accounting profession.*”; Mr. Goyal comprehensively explained the peer review mandates/ guidelines as made applicable by ICAI, SEBI, etc. While concluding





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his part, Mr. Goyal quoted that, *“It is very imp for small auditors that adequate audit documentation is in place even if audit quality is good.. This will be ensured by implementing peer review.”*

CA. Durgesh Kumar Kabra, while apprising on the topic of ‘Audit Quality Maturity Model (AQMM)’ and remarking that, *“No other institute has developed this so far...”*; lucidly explicated the meaning, roadmap, procedure and end deliverables vis-à-vis AQMM.

CA. Prasanna Kumar D, while briefing the history about how tax audits emerged; analysed a vital distinguishing feature between tax audits and other audits viz. in other audits, auditors are required to give a true and fair view, while in tax audits, auditors are required to provide absolute assurance that whatever is depicted is correct, thus entrusting a higher responsibility upon the auditors. Highlighting that *“More than 25 lakhs tax audits are filed year on year”*, Mr. Kumar ended his speech by mentioning that *“Year on year, Government of India is increasing the role of CAs in this regulatory mechanism”*.

Lastly, **CA. Abhay Chhajed**, while exclaiming that *“Owing to the Enron issues w.r.t accounting and auditing, a need arose to form a public oversight board. Similarly, in India, a need was felt for an independent review, to ensure quality...”*; provided an overview of the Financial Reporting Review Board (FRRB), its composition, its scope, process followed while performing reviews, actions taken, etc.; alongwith statistics of cases reviewed and referred to the Disciplinary Committee.

Readers may also refer to the pre-Conference editorial research document published by Taxesutra Greentick vis-à-vis [ICAI’s Regulatory Role](#).





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Plenary Session - Navigating the Global Economic Recovery (Panel Discussion)

Theme Address

CA. Piyush Goyal (Hon'ble Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles, Government of India)

Moderator

CA. Sonal Bhutra Maloo (Anchor & Sr Analyst, CNBC TV18)

Panelists

Mr. Sanjeev Sanyal (Member of the Economic Advisory Council to the Prime Minister of India), **Mr. Dinesh Kumar Khara** (Chairman, State Bank of India), **Mr. M Ayhan Kose** (Chief Economist and Director of Prospects Group, The World Bank Group), **CA. Kamlesh S. Vikamsey** (Past President, ICAI)

Summary



At the commencement of his speech, CA. Piyush Goyal drew reference to the term ‘VUCA’ as described in 1985 by two economists and university professors, Warren Bennis and Burt Nanus, in their book “Leaders. The Strategies For Taking Charge” which stands for ‘Volatility, Uncertainty, Complexity, and Ambiguity.’ Stating that the



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world is going to be in a continuous state of flux, he said that in such a situation, VUCA leaders are born, who encapsulate the elements of Vision, Understanding, Clarity & Agility. Emphasizing that *“India has the capability, India has the leadership & India has the skills”* to navigate economic recovery not only for India, but for the entire world as envisaged by the motto of *“Vasudhaiva Kutumbakam.”* He further added that while the world focused on consumption-led growth (with a lot to do on wasteful consumption), India focused on sustainability. He further quoted that, *“We sign the balance sheet, we certify the true and fair picture ...and the true and fair picture today cannot be just in the numbers.....the reality is also very complex ...we will also have to factor in all the various elements that matter of any complex organisation ...it could be a simple business, it could be a nation’s accounts, it could be the world’s reality...And we as accountants have a very important role to play in showing the mirror to the world, in showing the reality and in this day and age when the world economies are under stress... I am delighted to see the wonderful program that was drawn up for the 21st World Congress.....I can clearly see that we as accountants recognise that enhancing trust and confidence in various ways....it could be about information flow, it could be about reportingis something that resonates with the accountancy profession.”*

Panel Discussion

In this esteemed panel discussion, the thought leaders took the delegates on the journey from global recession due to the pandemic to global economic recovery and the role of the accountancy profession as the trusted partner of business community in recovering from the pandemic induced slowdown.

In this session, the moderator - **Ms. Maloo** posed a question on *“What is the global set up looking like today from a banking perspective? How can accountancy be the contributor here?”*





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To this, **Mr. Khara** responded by stating that “Well ofcourse when it comes to the banks being in a very healthy condition The first and foremost condition would be the right recognition of its asset quality .. and for that.. the accounting profession has a lot to contribute in terms of identifying .. it is beyond the numbers ... the kind of confidence

that accountants give in terms of health of a particular entity goes a long way in terms of building trust...the accounting profession has certainly contributed in terms of identifying the quality of the assets which are sitting in the books of various banks.... Banks are custodians of trust when it comes to money To that extent accounting profession has a lot to contribute in terms of ensuring that the stability of the system is ensured and also, when it comes to any bank, capital is the raw material without which they cannot really growand the confidence of the investors is actually coming from the kind of reports which are being generated by the auditors .. which becomes a very integral part of our assessment by the investing community across the globe....accounting is the backbone for any commerce and trade and the kind of confidence it can give to the readers of the balance sheet is not comparable ... it is a great profession & it holds the bacon when it comes to the growth of any economy concerned.”





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Plenary Session - Assurance: Enhancing Trust and Confidence in Sustainability Information

Theme Address

Mr. David Madon (Director Sustainability Policy & Regulatory Affairs, IFAC)

Moderator

Chun Wee Chiew (IAASB Board Member)

Panelists

Mr. Tom Seidenstein (Chair, International Auditing and Assurance standards Board, (IAASB)), **Mr. Wallace D. Gregory, Jr.** (Global Regulatory, Independence & Conflicts Leader, Deloitte), **Ms. Hilary Eastman** (Head of Global Investor Engagement, PwC, UK), **Naweed Lalani** (Director, Audit & Infrastructure – Supervision, Dubai Financial Services Authority)

Summary

On Day 3, the plenary session on the theme ‘**Assurance: Enhancing Trust and Confidence in Sustainability Information**’, began with opening remarks by Mr. Tom Seidenstein, Chair, IAASB, wherein he enlightened that “*we have passed the point of no return, sustainability reporting will be part of external reporting requirements...time tables are tight but appropriately reflect the urgency for global baseline solutions...need to accept the philosophy that perfect cannot be the enemy of the good*”. Mr. Tom further navigated through IFAC vision for high-quality Sustainability Assurance, while also meticulously explaining emerging best practices and foundation of high-quality global standards. He also highlighted the mapping of





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global reporting and assurance practices, summarization of changes in assurance along with comparison of data of years 2019 & 2020, comparative data for the years 2019, 2020 & 2021 to showcase the rising graph in the areas of ESG Reporting, use of TSFD and SASB, assurance information, declining audit firm market share and audit firm engagements.



reasonable evidence has been obtained; etc.

Mr. Tom also provided an overview of the feature that the Board is looking forward to developing by emphasizing upon - (i) the need to encompass both limited and reasonable assurance, (ii) looking at complete assurance solution, and (iii) identifying whether the scope of the engagement, materiality are properly evaluated; what

reasonable evidence has been obtained; etc.

Next, the insightful panel discussion with the prolific panelists, to discuss the road ahead for enhancing trust in sustainability information through high-quality assurance and the global standard-setting activities of the IAASB, commenced. Quoting that *“trust and confidence is something we have all taken for granted for financial reporting, however for sustainability reporting, we still have some way to go”*; Mr. Chun Wee Chiew sought comments from the panelists by raising the following questions -

1. What would you say are the biggest concerns of the investors w.r.t sustainability assurance?
2. What do you think the profession where everyone in this group and everyone on this stage needs to do to help address that frustration?
3. What are some of the challenges that assurance providers are facing today?
4. What is the role of regulators and the role of non-professional accountants who are clearly a part of this ecosystem?
5. How should professionals recalibrate to provide more sustainability assurance service?
6. How much information do we think investors are expecting from the assurance report?
7. What is the next step for the board?





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Session B1 – Understanding Capital Market for Wealth Creation

Moderator

CA. Anil Singhvi (Managing Editor, Zee Business)

Panelists

CA. Nilesh Shah (Group President & Managing Director, Kotak Mahindra Asset Management Co. Limited), **CA. Navneet Munot** (Managing Director & CEO, HDFC Asset Management Co. Limited), **Mr. Madhusudan Kela** (Founder, MK Ventures)

Summary



In this session, the esteemed panel of experts discussed the intricacies of capital markets, global trends and skill sets required for wealth creation. In this context, Mr. Singhvi posed a very interesting question to ace investor Mr. Kela, whereby he particularly targeted Chartered Accountants above the age group of 40 years by

echoing their sentiment as follows - *“The older CAs feel that they are late by 10-15 years in entering the capital markets – Is this true or not or is this just the beginning/trailer of a movie? What are your views on this?”*





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At the outset, Mr. Kela highlighted few pertinent facts relevant to India, “(i) Many years ago, there was a time when India was struggling to even get into the G-20, however, today, Prime Minister Modi is now set to be the Chief of the G-20, which is such a big change in itself, (ii) if we look at the geo-political scenario today, the US has stated that India is their best friend, similarly, even Russia has stated the same fact, which proves that the entire world is now



recognizing our importance and the best is yet to come (iii) on the aspect of markets, it took us 30 years to come from USD 300 billion to a USD 3 Trillion dollar economy, now it is roughly projected (by Mr. Gautam Adani) that by 2050, we will become a USD 30 Trillion dollars economy.....so

now you only do the calculations and predict how much of the movie is completed and how is much is remaining.... Where has the trailer of the movie even started? However, the economy is one thing and the stock market is another thing – The question is for how long can you stay invested in the best companies without being unaffected by the jerks?”

Further, on Mr. Singhvi’s question of whether in India we are getting overconfident or complacent regarding the markets, **Mr. Munot** enlightened that, “As per PM Modi’s statement of ‘Sabka Saath, Sabka Vikas, Sabka Vishwaas, we also need “Sabka Prayaas” ...we have to continue to work hard as the world is watching us ... we should not get complacent ...as Chartered Accountants what do we have? we have the competence, capability and the comprehension ... but what we need for 25 years is not only these 3 things ...we need courage, conviction and we need character...it is a responsibility for us that we become global leaders....”





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To this, ace investor Mr. Kela added that, *“The community of Chartered Accountants will ensure that India does not ever get complacent, as they act as mirrors to the nation by preparing annual balance sheets of companies...”*

On Mr. Singhvi’s question of *“What is the role of Chartered Accountants? What are the opportunities and what are the challenges?”*, Mr. Shah cited that, *“Growth happens when investments happens... which happen when there are savings ... Indians save well but make mistakes while investing gold smuggling is a reality... if USD 500 billion which has gone out of the country would have remained in India itself.. maybe the India’s economy would have been a 5 trillion dollar economy today if we all Chartered Accountants decide together that we will advise our clients that instead of gold to invest in the gold entrepreneurs of the country.... Our savings will then come of use in our country itself....”*

In the concluding part of this highly riveting panel discussion, the moderator Mr. Singhvi concluded by stating that *“India’s journey has just begun”* and that Chartered Accountants are playing an integral role in this empowering journey of wealth creation.





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Session B2 - Building Trust – Improving SME Reporting

Moderator

Ms. Monica Foerster (Chair, IFAC SMPAG)

Panelists

Mr. Ian Carruthers (Chair, International Public Sector Accounting Standards Board (IPSASB)), **Ms. Assietou Sylla Diouf** (Managing Director, Finance and Operations- GAVI, the Vaccine Alliance), **Ms. Michelle Sansom** (Project Manager, IFRS for SMEs), **CA. M P Vijay Kumar** (Member, IFRS SME Implementation Group (SMEIG) and IFRS Advisory Council)

Summary



Ms. Monica Foerster, kickstarted the session by providing an overview of the Exposure Draft on ‘IFRS for SMEs Accounting Standard’ issued by the International Accounting Standards Board, and drew attention to the key proposals of the Exposure Draft viz. updating IFRS 13 and IFRS 15 by providing some additional guidance for SMEs, bringing in expected credit loss model, etc.

Ms. Monica Foerster, kickstarted the session by providing an overview of the Exposure Draft on ‘IFRS for SMEs Accounting Standard’ issued by the International Accounting Standards Board, and drew attention to the key proposals of the Exposure Draft viz. updating IFRS 13 and IFRS 15 by providing some additional



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Going forward, during the panel discussion, while addressing the pertinent question posed by Ms. Monica - ‘**What do you see as the main challenge in implementing the new standard?**’, **CA. M P Vijay Kumar** first briefed about the two set of accounting standards applicable in India i.e. Ind AS (Full IFRS) for public entities and unlisted entities with equity more than \$30 million, and AS for other entities. W.r.t the aforesaid Exposure Draft, Mr. Kumar pleasantly shared that, “*On the project draft issued in India, around 300 plus comments were received, and across 4 Accounting Standard Board meetings we have discussed and submitted our comments to the IASB for its consideration*”. He then shed light on **4 key implementation challenges** involved, particularly outside India, viz. (i) Concerns around definition of control, (ii) Impairment relating to financial assets i.e. trade receivables and assets arising from revenues from contracts with customers (iii) IFRS 16 w.r.t lease accounting and (iv) Treatment of development costs i.e. whether to be capitalized or expensed off. He also encouraged members to have a look at the ‘Basis for Conclusions’ to understand why these positions are taken, when they respond to the Exposure Draft.

The panelists further provided their valuable insights to the following questions – ‘**What do you consider the main opportunities associated with the said proposal?**’, ‘**How do we avoid frauds and quality reporting in the absence of assurance?**’, ‘**How to make sure the standard can be used by all types of SMEs, including micro-SMEs?, etc.**’ In response to this question, **Ms. Michelle Sansom** assured that “*We plan to update guidance for micro entities*”. Speaking on the ‘opportunities’ aspect, **CA. M P Vijay Kumar** pointed out **5 important advantages** of having IFRS for SMEs in place, - (i) There is no need of having 2 divergent frameworks, (ii) Accountants should not be bifurcated into – a. ones that are largely catering to the SME segment, and b. the ones largely catering to entities other than SMEs, (iii) Migration from IFRS for SMEs to full IFRS is not complicated, also it creates less impact on the equity of the entity, thus investors’ confidence is retained, (iv) Consolidation adjustments are simple, and (v) From a tax administration point of view, if two accounting standards are linked to a single framework, it helps authorities in devising and implementing appropriate tax policies.





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