

ICAB NEWS BULLETIN

Monthly News Briefing from the Institute of Chartered Accountants of Bangladesh (ICAB)



Virtual Post Budget Discussion held Jointly by ICAB and The Business Standard



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On 11 June 2020 government announced a budget of BDT 5,68,000 Crore equivalent to 17.9% of the GDP and this is a increase by 13.24% compared to revised budget of 2019-20. The deficit of the budget is also huge BDT 1,90,000 crore which is 33.45% of total budget. Unlike previous occasions, this time, analysts very critical on the budget while slightly soft on whiten black money offered as they understand the economy is in dire need of money during this pandemic of COVID 19 .

An active partner of promoting Good Governance, ICAB organised this session every year. Economists, businesses and professionals of different backgrounds took part in a virtual post budget discussion organised jointly by the Business Standard and The Institute of Chartered Accountants of Bangladesh (ICAB) on Sunday, 14 June 2020. Planning Minister MA Mannan, MP attended the event as chief guest. ICAB Secretary Major General Muhammad Imrul Quayes, ndc, psc (Retd) and the executive Editor of the Business Standard Shariar Ahmed delivered welcome

speeches. ICAB Past President and Chairman Taxation & Corporate Laws Committee (TCLC) of ICAB moderated the session while ICAB President Muhammad Farooq FCA inaugurated the session. ICAB Council Member Md. Shahadat Hossain FCA and Fellow Member Snehasish Barua FCA gave brief presentations on the National Budget 2020.

The analysts could not but deny the fact of the facility to whiten black money at this critical juncture of economic slowdown. However, it was surprised to them with the way the blanket facility – with huge tax benefits has been offered. The opportunity should have been given for two to three months instead of one year, many of them opined.

Speaking as the **Chief Guest, Planning Minister MA Mannan** said, "Listening to today's discussion, the budget seems to be a business-friendly budget." He said, the prime minister has described it as a recovery budget. The agriculture and health sectors have been prioritised. The increase in tax on mobile

Editorial Note from Chairman – Editorial Board



Dear readers

While physical distancing may be a way of life for now, social separation certainly is not. The threat of COVID-19 has forced people to work remotely. As we readjust ourselves to more than what we comprehended, we have issues remain to be solved. When will things go back to normal? Will we change the way we live, learn, work, and play? This is on everyone's mind, and it's a hard one to answer or escape from. We need to plan for a new "normal." While we can no longer embrace each other, together we can embrace the new normal.

The spread of Covid 19 has already disrupted many aspects in our everyday life, including the process in our workforce. The anxiety from uncertainty and struggle to adjust with remote working culture has been our new everyday challenge. There remain many unknowns that will influence what happens next. But there is also a certainty that things will not simply revert to pre-COVID conditions. Companies that can offer their workforce the right tools, culture and operating structure to help employees through this transition to the new normal will emerge more focused, resilient and better positioned to prosper in a new competitive landscape.

Over the past few months, almost all businesses have seen their world of work turned upside down. The World Economic Forum said recently that we haven't experienced a loss of control like this since the second world war. But positive aspect is that for the first time, the world is working together to solve the same problem. Companies are working hard to simultaneously support their employees, serve their clients and survive. The government is trying its best to support people and businesses.

On a different note, this time could be an opportunity for the business world to accomplish digital objectives in driving agility and efficiency. It is not beyond comprehension to realize that some organizations may not survive, and many families will be impacted beyond words. Having empathy for people as employees, parents and friends is crucial. Teamwork at work, at home and within our communities can take us through this new normalcy.

While we are working remotely, it is not possible for a day labourer. The coronavirus has already hit them hard, and it might get worse in coming days and months. We need empathy for each other to overcome hard days. The government of Bangladesh has come forward with economic stimulus, but may not address the problems enough.

Here at ICAB, besides regular online committee meetings, we have already held couple of events related to National Budget which went as we expected. We also held 4 CPD (Members' Conference) through Zoom platform consecutively. The response of the members was overwhelmed. The coming days are going to see more events like these, no doubt.

Amid this panic and uncertainty, we should ensure our teams are thriving rather than surviving in the new environment. We should create the culture needed in this changing landscape besides providing the tooling our workforce need. It's also essential to protect teams' mental health and well being.

With the prayer of good health and safety of everyone.

Dr. Md. Abu Sayed Khan FCA

recharges, increase in excise duty on bank deposits are popular items. There is an opportunity to discuss this before the budget is passed. "We have a challenge in financing the budget," he added. Efforts should be made to solve this by increasing the tax net. There has been discussion of unrestricted opportunities to invest black money. There is also a discussion about the effectiveness of this opportunity given by the government. "We are ready to reform. We are taking your feedback."

ICAB President **Muhammad Farooq FCA** praised the budget for raising the minimum tax rate to five percent and the provision of a 50 percent fine for money laundering. He, however expressed his reservation on the provision of 20 percent advance payment to appeal to the NBR in VAT cases. He also mentioned, in the proposed budget, there is no direction of any government initiative to bring in foreign investment.

He said, it is our concern that the collection of revenue as targeted Taka 3,78,000 crores will be challenging task due to the negative impacts of current pandemic on trade, commerce, industries, import, export and services. Achieving such a huge target is a monumental task for NBR.

GDP Growth has been predicted to be 8.20% For FY 2020-21 while GDP Growth of FY 2019-20 has been revised to 5.20%. Obviously, it is ambitious and would be challenging to achieve due to COVID-19 pandemic situation, he added. We highly appreciate the government focus and prioritization on the allocation of budget in the four key areas namely health, agriculture, social safety net

and job creation recovering from the current pandemic crisis, he further added.

On the Income Tax related issues he said, reduction of personal tax rate including the changed structure is very welcoming during this situation. As our corporate tax rate is higher compared to tax rates of similar economies including the neighboring countries, reduction of such rate for private sector entities from 35% to 32.5% is right step.

The threshold of tax-free income has been raised to Tk 3 lakh for individual taxpayers and a 5 percent tax slab has newly been introduced. The highest tax slab has also been reduced to 25 percent. This will give a relief to low-income people and encourage to disclose the actual income by the tax payers, he said.

He said, advance Tax on import of raw material for production purpose has been reduced to 4% from 5% and time limit to claim both input VAT rebate and decreasing adjustment of AIT has been extended from next two tax period to next four tax period which is appreciable. However, restriction on the time for consumption of the materials, purchased or imported within four tax period will be difficult in implementing and monitoring and may increase the disputes and harassments. In this regard, the existing provision was more business friendly.

ICAB also welcome the exemption of VAT on COVID-19 medicines, test kits, PPE and surgical accessories for import, manufacturing and trading purpose.

ICAB Vice President **Mohammed Forkan Uddin FCA** said, operational expenditure of the government is huge. Government may think to cut, some extent, of this

expenditure to meet up the pandemic driven economic crisis. The provision of whiten black money may spur the economic activity. He also stressed for preventing money laundering, strengthening alternative dispute resolution(ADR), etc.

ICAB Past President and Council Member **AF Nesaruddin FCA** proposed lifting the three-year lock-in for the stock market investment of black money. He said, the size of the economy has become larger in last few years. The government's expenditure as well as the allocation for ADP have increased substantially. There is a challenge to increase the revenue to finance the ADP and the recurrent expenditure of the government. If the pandemic situation continues for long time, both the revenue target, and the export target will fail to achieve.

Emphasizing on employment management, Mr. Nesar said we need to expand the tax net and IT driven tax administration. Otherwise, uncertainty will grip the economy. He also put emphasize on steps for attracting more foreign direct investment(FDI) into the country.

Speaking on the reformation of financial sector and the corruption, ICAB Past President **Kamrul Abedin FCA** said, loan defaulters could reap the benefit of stimulus package during the pandemic COVID 19. He said, there is an ardent need for the formation of banking commission to bring discipline in the banking sector. Otherwise, the rampant corruption might cripple the economy further, We need some directions to address those issues in the budget, he added.

At the discussion, ICAB Council Member **Md. Shahadat Hossain FCA** spoke about budget revenue and expenditure in macro economic aspect. Snehashis Barua then spoke about changes of income tax, VAT and customs as well as their impact on public life and business.

"It is an injustice to those who pay taxes regularly," **Dr. Fahmida Khatun**, executive director of the Centre for Policy Dialogue, said on the way the government has given a blanket immunity to individuals holding black money. She said, this facility was given at different times in the past but people did not use in the right way. She said,

only Tk16,000 crore has been whitened through this facility provided by different governments since the independence of the country.

Dr. Fahmida Khatun identified this system of equal taxes for both the rich and the poor as a social injustice. She said in almost all the countries of the world, more than 50 percent of the total revenue is collected from direct taxes. "This is only 30 percent in our country."

Mosharraf Hossain Bhuiyan, the immediate past chairman of the National Board of Revenue (NBR) said, it was not the right move to give a chance to whiten black money with just 10 percent tax. He said, "It could be in line with the regular rates plus a penalty – it may be symbolic." He said a flat 10 percent tax cannot be imposed on all amounts. If someone whiten Tk100 crore and another Tk10 lakh, it is not the same. Mosharraf Hossain Bhuiyan said the tax system globally is direct taxes. "That means collecting money from the rich and spending it on the development of the state and poverty." Mosharraf Hossain Bhuiyan also proposed the excise duty on bank deposits and supplementary duty on mobiles be withdrawn.

"In our country, burdens are placed on ordinary people by levying indirect taxes on goods and services. We tried to change it. However, in this budget, the reliance on indirect tax has increased again."

Shams Mahmud, president of the Dhaka Chamber of Commerce and Industry said, the opportunity to whiten black money should be given for two to three months instead of one year. "It should have been given only in investment, not wholesale. It could increase the flow of money if the opportunity was given for a maximum three to four months to overcome the novel coronavirus crisis," he added. Shams Mahmud demanded the speedy disbursement of the incentive packages announced by the prime minister to provide working capital support to companies affected by the novel corona virus. He added that business people are in fear about the capital support of banks in the private sector as the government has set targets for a large borrowing from the banking sector.

The panelists criticised the budget's

reliance on indirect taxes instead of direct taxes for revenue collection. Economists have termed the new imposition of a five percent supplementary duty on mobile recharges and the increase in excise duty on bank deposits to be unjust.

Ahsan H Mansur, executive director of the Policy Research Institute, said, "Mobile companies currently give 54 percent to the government. Following a five percent increase, it will be 59 percent. This will disrupt the business of mobile companies and increase the suffering of the public as well." Why should it increase every year?" "On the one hand, the opportunity is being given to whiten black money and, on the other hand, a fine is being imposed for keeping hard-earned white money in banks," he added. Calling it a bizarre structure, Mansur criticised the NBR for changing the system of income tax, VAT and customs sectors. He recommends a cost-benefit analysis before making any changes.

Dr. Nazneen Ahmed, a senior research fellow at the Bangladesh Institute of Development Studies, said the increase in supplementary duty on mobile recharges would hamper the advancement of e-commerce and online activities. She said people in villages are using the Internet through mobile phones – many are doing e-commerce business with mobile internet and many are studying through this. The supplementary duty will increase the cost of talking as well as disrupt this work. Internet cost will also go up due an increase in import duty on WiFi routers. Nazneen Ahmed said, the five percent increase in the supplementary duty on local cosmetics would have a negative impact on the business of women entrepreneurs and beauty parlors and demanded it be withdrawn.

Rakibur Rahman, director of the Dhaka Stock Exchange, said the announced budget did not give anything to the capital market. He said none of the stock exchange's demands for the stock market were kept. He said a condition of a three-year lock-in for investing black money in the stock market has been imposed. On the other hand, if one keeps black money in the banks, there is no condition for a lock-in. In such a situation, no one will go to the stock market.

President's Communication



Dear fellow members and colleagues

Assalamualaikum and greetings to you all,

At the very beginning I pray to Almighty Allah for everyone's good health and mental well beings. In this time of uncertainty, we need support of one another more than ever. The COVID 19 Pandemic has affected so many us in a multitude of ways; hospitals are overwhelmed, and the economy appears to be heading for a worst recession.

Now after two months' country wide shutdown, the Institute resumed its offices in May in limited scale in line with government's instructions. From that very moment, we are constantly pursuing our desired goals.

Besides regular online committee meetings, we held a number of events related to National Budget which went quite well. We also held a number of CPD (Members' Conference) through digital platform within a gap of less than a month. The response of the members was more than what we expected. More than 700 members in each sessions participated with zeal and enthusiasm. Members were at ease and no doubt learnt a lot as they threw a good number of questions to the paper

presenter. It took some time though to sort out IT problems at initial sessions. This was cost effective, largely participatory and offered efficient time management, no doubt.

Now having said so let me update you with the activities of the Institute during May- June 2010.

After the announcement of National Budget 2020, ICAB's **immediate reaction on the Budget** was published in national dailies with due importance on 12 June 2020. We congratulated the Government for announcing the budget equivalent of 17.9% of GDP amounting to Taka 5,68,000 crores which is a reponse to the panic and uncertainty caused by COVID 19. We gave our specific comments on VAT & Tax policies and provisions. We appreciated saying that the proposed budget of FY 2020-21 has prioritised health, agriculture, social safety net and job creation aiming to mitigate current pandemic. Undoubtedly, revenue targeted Taka 3,78,000 crores will be difficult to collect due to the negative impacts of current pandemic on trade, commerce, industries, import, export and services. However, we should remain optimistic considering the veracity of the situation.

With a hastening move we arranged virtual **Press Conference on 'Post national budget 2020'** through virtual platform on 13 June 2020, where as many as 30 journalists of printing and electronic media participated. Opening remarks was delivered by me and the key points were read on announced national budget. Mr. Md Humayun Kabir FCA, Chairman, TCLC moderated the session. Council Members Md. Shahadat Hossain FCA, Mr. Mohammed Forkan Uddin FCA and the fellow member Mr. Snehasish Barua FCA also spoke and shared their view points.

We responded questions raised by journalists and reporters from media and it was a highly interactive and lively session. We thank the Press and Publication section as the conference got huge media coverage in main stream newspapers and electronic media of the country.

The event subsequently followed **"ICAB-The Business Standard Virtual Post-Budget Discussion 2020"**. This was joint initiative by ICAB and the **English daily** through Zoom video conferencing on June 14, 2020 where Planning Minister Mr. MA Mannan, MP was the chief guest.. Country's renowned economists, businessmen and professionals also participated in the session side by side our CA experts. A brief overview on the budget was given by me in the introductory speech while Council Member & Past President Mr. Md. Humayun Kabir FCA moderated the session. Council Member Mr. Md. Shahadat Hossain FCA and Fellow Member Mr. Snehasish Barua FCA jointly presented the key note paper.

ICAB organized the Virtual **Members' conference** through Zoom Video conferencing on **Finance Bill and Proposed National Budget 2020-21** on 18 June 2020 where Mr. Md. Alamgir Hossain, Member (Tax Policy), Mr. Ranjan Kumar Bhowmik, Member (Tax

Survey and Inspection) and Mr. Md. Masud Sadik, Member (VAT Policy) of the National Board of Revenue (NBR) attended as Special Guests. ICAB Council Member and Past President Md. Humayun Kabir FCA moderated the session while address of welcome was delivered by me. Mr. Md. Shahadat Hossain FCA, Council Member-ICAB and Mr. Snehasish Barua FCA, Partner, Snehasish Mahmud & Co, jointly presented the keynote paper. The members of the NBR exchanged their views on the budget and the Finance Bill 2020. They expressed their assertiveness on many of the suggestions emanated from the discussion.

At the backdrop of COVID 19 pandemic, ICAB organized a **Virtual Members' Conference on 'COVID 19 Impacts on Financial Reporting and Audit'** on 20 June 2020 through digital platform where Mr. Muhammed Farhad Hussain FCA, Past President-ICAB was present as the Chief Guest Mr. Nasir Uddin Ahmed FCA, Member Council and Past President of ICAB acted as the session chairman while Mr. Sabbir Ahmed FCA, Vice President-ICAB presented the keynote paper. Address of welcome was delivered by me. Vice Presidents, Members Councils, Past Presidents and Fellow Members of the Institute actively participated in the conference.

RCOMCC of ICAB held a virtual discussion meeting **with North American Chapter (NAC)** through zoom video conferencing on 27 June 2020. Chairman of RCOMCC and Council Member Mr. Mahamud Hosain FCA led the discussion. A wide range of issues like creation of email ID in ICAB domain for Chairman and Secretary of ICAB NAC, registration of ICAB NAC in Toronto, Canada, opening of a Bank Account for ICAB NAC in Canada, timing of an ICAB CPD through virtual platform, creating a dedicated 'Service

Desk' for all ICAB Regional Committees and Overseas Chapters members were sorted out.


Dear fellow colleagues, we have made an understanding with the Japan East West Medical College Hospital, Turag in addition to earlier announced Anwar Khan Modern Hospital, Dhanmondi where members and their families, relatives can have COVID 19 Test on priority basis. Members Service of the institute is working to assist members in this difficult time. We further stand ready to render support to our members within our capacity.

Dear comrades, we are deeply moved by the sudden demise of our 3 CA friends amid this pandemic who could contribute more to the profession and the country. My prayer and deep condolences to those bereaved families. I also pray for others who have lost their close relatives and friends due to this pandemic.

No doubt, we are feeling shock, denial, or even deep grief and despair right now due to sudden disruption and changing landscape. However, it is important that we remain resolute to our objectives despite eventualities. Rather than being afraid of change or avoiding it, we should try to adjust and view change as an opportunity to excel. Embracing and establishing **'New Normal'** in all spheres of lives may be the key to our success as individually and collectively in the days ahead.

With these, I would like to wrap up today. We pray to Almighty for His divine blessings to protect us from this pandemic. We pray for everyone's good health and well beings, once again.

With best wishes to you and all your loved ones.


Muhammad Farooq FCA
 President

Virtual Media Briefing by ICAB on National Budget 2020

The proposed budget is ambitious and challenging because of the corona virus pandemic. The implementation of the budget is undoubtedly defaulty but not impossible. Moreover, Finance Minister AHM Mustafa Kamal presented the budget of Tk. 568,000 crore timely despite lot of upside down of finance and economy existing, leaders of the Institute of Chartered Accountants of Bangladesh (ICAB) said at a virtual media briefing.

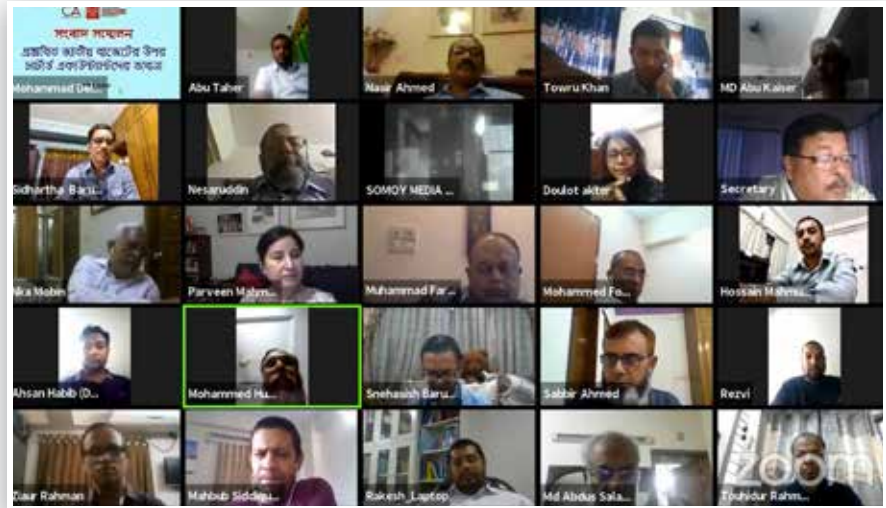
The professional Institute organised a virtual media briefing on Saturday, 13 June 2020 just one day after the announcement of the National Budget 2020 on Thursday.

"The implementation of the proposed budget we hope would be possible," the president of the Institute Muhammad Farooq FCA said. The main challenge would be in achieving the revenue generation and getting private investment due to the shrinking aggregate demand amid the raging pandemic. The finance minister's endeavour to boost private investment and create employments are welcoming, Mr. Farooq said while reading out a written speech during the media briefing.

The finance minister talked about widening the government's reliance on the domestic sources in FY21 in order to meet the budget deficit. Kamal has proposed to borrow Tk 84,983 crore from the banking sector to finance the deficit budget.

In the current fiscal year, the government has borrowed from the banking sector nearly double the amount, it originally targeted. Similarly, the target on bank borrowing would overshoot as the fiscal year progresses, said Mr. Farooq.

"Because of the government's reliance on the banking sector, the private sector



may be deprived of adequate financing. However, if the government spends the money properly for the development sector, the money would come back to the private sector through money circulation." The government needs to boost economic activities in order to mitigate the impacts of the Covid-19 on the economy and create jobs for the unemployed populace, he said. "So, we are not looking negatively at the reliance on the banking sector for loans, if there is implementation capacity." A structural change in the budget compared to traditional budgets in the time of the crisis is noticeable, he said.

The health sector has been given the utmost importance and the agriculture sector has been given the second most importance with a view to ensuring food security during and after the pandemic. A huge portion of the population have lost jobs because of the long general holiday and lockdown and slid below the poverty line. "The additional allocation in the budget to provide social safety net to this group of people is logical," Mr. Farooq said.

The increase of tax-free income threshold and introduction of a new 5 per cent slab would reduce the tax

burden for the marginal taxpayers to some extent, he said. Similarly, the cut in the corporate tax rate, which is one of the highest in South Asia, would give some relief to the companies that have been affected economically by the pandemic.

The ICAB called for bringing down the tax at source for the professionals from 10.12 per cent to 8 per cent. Besides cutting the advance tax at the import stage on raw materials used in local manufacturing industries to 4 per cent from 5 per cent is a business-friendly initiative, according to ICAB.

Attaining the revenue collection target would be a major challenge because trade, commerce, industries, import, export and services have all been affected severely by the covid-19, said Md Humayun Kabir, a past president and Chairman of Taxation & Corporate Laws Committee (TCLC) of ICAB. "budget financing will be a major challenge.", he added.

The government's attention will be diverted to the health and social safety net sectors in FY21 because of the pandemic, so the supervision and monitoring of the development sector would be hit, according to Mr. Kabir.

The Institute found rationality in widening the areas of investment for undisclosed income in view of the current unusual situation, he said. "However, it is expected that this extraordinary measure will not be continued beyond the stipulated year. Replaying to a query, Mr. Kabir said, "Setting an 8.2 per cent GDP growth target is puzzling to many as demand is shrinking. It sounds unrealistic."

In order to curb the trade under-invoicing, the provision for

imposition of penalty at 50 per cent is a laudable move according to the ICAB. However, it will require judicious application of law at field level so that normal business transactions are not arbitrarily valued which impose such penalty, it added.

The finance minister's proposal to increase the deposit to 20 per cent from 10 per cent on disputed tax amount before filing an appeal with the Appellate Tribunal would increase the cost of businesses, said Snehasish Barua, a

member of the institute. Parveen Mahmud, a past president of ICAB, and Md Shahadat Hossain, a Council member of the ICAB, also spoke.

ICAB Vice President Sidhartha Barua FCA, Sabbir Ahmed FCA and Mohammed Forkan Uddin FCA, Past President Md. Abdus Salam FCA, Secretary Major General Muhammad Imrul Quayes, ndc, psc (Retd), Director (Technical) Mahbub Ahmed Siddique FCA attended the media briefing.

ICAB Members' Conference on salient features of Finance Bill 2020-21 and Macroeconomic aspect of National Budget

Certain steps taken in proposed budget 2020-2021 would affect the businesses like decisions to increase advances tax for VAT appeal, empowerment of field level VAT officials, minimum tax in certain areas and tax at sources, might have adverse effect. Experts at a Members' conference on Salient features of Finance Bill 2020-21 and Macroeconomic aspect of National Budget 2020-2021' suggested.

ICAB organized a Virtual Members' conference through online Video conferencing on 18 June 2020 where Md. Alamgir Hossain, Member (Tax Policy), Ranjan Kumar Bhowmik, Member (Tax Survey and Inspection) and Md. Masud Sadik, Member (VAT Policy) of the National Board of Revenue (NBR) were present as Special Guests. ICAB Council Member and Past President Md. Humayun Kabir FCA moderated the session as the Session Chairman while ICAB President Muhammad Farooq FCA delivered address of welcome.



Md. Shahadat Hossain FCA, Council Member-ICAB and Snehasish Barua FCA, Partner, Snehasish Mahmud & Co, jointly presented the keynote paper.

The members of NBR exchanged their views on the budget and the Finance Bill 2020. They expressed their solicitation on some suggestions arose from the discussion.

Criticising the move to increase the tax on the use of internet and mobile phone, ICAB President Muhammad Farooq FCA said, such initiative would retard the government's vision to build the

digital Bangladesh. Mr. Farooq also highlighted some important points relating to VAT and Tax issues of the Finance Bill 2020.

The 1st paper presenter Md. Shahadat Hossain FCA, Member Council -ICAB discussed macroeconomic aspects of the budget. The objective of his presentation was to have an overview about the impact of recently presented national budget on macro economy of the country.

He highlighted the background on which budget of FY 2020-21 has been

announced given the circumstance when the whole world, including our country, is passing due to the COVID-19 Pandemic. So, we cannot expect the budget to be traditional like the previous budget. The volume of the budget is 18% of total GDP. Development expenditure has been increased only 6% and revenue has been targeted only 8.6% higher than previous revised budget, no doubt, it is due to prevailing pandemic situation, he said.

Total projected revenue of Tk 378,000 crore includes revenue under NBR Tk 330,000 crore i.e. 87%. Revenue under NBR has been projected only 9.8% higher than the revised budget of FY 2019-20 which appears to be rational but if we look at the actual collection (July-March), it is only Tk 136,459 crore. How far it is possible to collect further 164,041 crore (55% of revised budget) by Mr. Hossain posed a question and said considering the past records and prevailing pandemic situation, it is clear that the revenue collection target of this budget is highly ambitious.

In the paper he said, Budget allocation has been made keeping in mind the impact of COVID-19. The pandemic has direct impact on health sector and due care has been given in this sector. Indirect impact of COVID-19 on economy due to enforced general holidays, lock-down, closure of factories and business income of the common people has led to increase the poverty level, he opined. In order to overcome the situation, the government has rationally allocated Tk 95,574 crore which is 16.83% of total budget and 3.01% GDP in the social security sector, as against Tk 81,865 in FY 2019-20, he said.

Expressing doubt over implementation of ADP, he observed that during first nine months of the year 2019-2020, the implementation remains very poor and slow in terms of expenditure. For example during the first nine months of FY 2019-20 (July-March), ADP implementation was only Tk. 60,606 crore which was 31% of revised budget. Balance 69% equivalent to Tk. 132,315 crore has to be spent during the next three months.

There is every possibility of failing to achieve the target of collecting tax revenue and manage the foreign loan as expected and it may create scope of huge deficit in the budget, he further added.

Focusing on Finance Bill 2020, another keynote paper presenter Snehasish Barua FCA said, double in advance tax for VAT appeal, empowerment of field level VAT officials, minimum tax in few areas and tax at sources ultimately would hit the business hard. He urges for revisiting these provisions to make the budget more congenial for businessmen and the people. Session Chairman Md. Humayun Kabir FCA opened the floor discussion and summed up the session in a comprehensive manner. Members of the NBR spoke on the occasion they appreciated the ICAB's effort to organize such event. They talked high about the meticulous analysis of the paper presenters. They highlighted the difficulties of the existing situation. The however, agreed many of the suggestion made by ICAB.

Admission as Associate

The following members have been admitted as Associate of the Institute with effect from the date mentioned against their names:

Name	Effective Date
Md. Syful Islam ACA (2047) Flat: A 1, House: 3 & 5 (korobi) Road:7, Badda Dhaka-1212	25 February 2020
Md. Fazlul Ullah ACA (2048) 11, Alif Nagor, Badda Dhaka-1212	25 February 2020
Sumit Sarkar ACA (2049) GP-Ja, 44, TB Gate, Wireless Mohakhali, Dhaka	04 June 2020

Admission as Fellows

The following members have been admitted as Fellows of the Institute with effect from the date mentioned against their names:

Name	Effective Date
Mukit Ahmed FCA (1137) Group CFO, SQ Group Concord IK Tower (4th floor) Gulshan Avenue Dhaka-1212	15 March 2020
Priyanka Saha FCA (1254) Unit 1611 Parkway Forest Drive Laurel Grove Toronto Ontario M2J1L4 Canada	24 February 2020

Name	Effective Date	Name	Effective Date
Muhammad Imtiaz Ali FCA (1622) House 10 (4th floor) Road 3F, Sector 09 Uttara, Dhaka 1230	08 June 2020	Arif Hossain FCA (1692) Head of Internal Audit Popular Pharmaceuticals Ltd. Sheltech Panthokunjo 17 Shukrabad, West Panthopath Dhaka-1207	24 February 2020
Rajshekhkar Debnath FCA (1679) General Manager- Business Partnering, Finance Robi Axiata Ltd. Robi Corporate Office Nafi Tower (15th floor) 53 South Gulshan Avenue Dhaka-1212	16 March 2020	Suniti Ahmed FCA (1693) Manager Audit & Advisory Services KPMG Rahman Rahman Huq Chartered Accountants 9 & 5, Mohakhali C/A Dhaka-1212	25 February 2020
Md. Muktar Alam FCA (1682) Head of Accounts & Audit Centre for Woman and Child Health (CWCH) Jamgora, Ashulia Dhaka-1349	09 March 2020	Md. Moshir Rahman FCA (1694) Manager Finance & Accounts Singer Bangladesh Limited House- 5B, Road-126 Gulshan-1	24 February 2020
Tofayel Ahmed FCA (1684) Deputy General Manager, Finance & Accounts Summit Power Limited Summit Centre (9th Floor) 18 Kawran Bazar, Dhaka-1215	23 February 2020	Afratul Kawsar FCA (1696) Eastern Flower 46, Siddeshwari road Flat # 3/801, Dhaka	11 March 2020
Md. Mostafijur Rahman FCA (1685) Senior Manager - Accounts and Finance, The IBN SINA Pharmaceutical Industry Ltd. "Tanin Center" 3 Asadgate Mirpur Road, Mohammadpur Dhaka -1207	23 February 2020	Md. Tareq Kamal FCA (1697) Senior Manager Audit, DPP and L & D Rahman Rahman Huq Chartered Accountants 9 & 5, Mohakhali C/A Dhaka-1212	29 February 2020
SM Ashfaqur Rahman FCA (1686) DGM (A & F) and Company Secretary PEB Steel Alliance Ltd House # 63 (Level-4 & 5) Pragati Sarani Baridhara, Dhaka-1212	23 February 2020	Taskia Tamanna Islam FCA (1699) Manager-MIS, Finance & Accounts Bangladesh Edible Oil Limited Land View Commercial Center (10th Floor) 28 Gulshan North C/A Gulshan Circle 2 Dhaka 1212	29 February 2020
AKM Mesbahul Karim FCA (1689) GM & Head of Finance & Accounts Expo Freight Ltd. Colloid Tower (6th floor) 206/A, Tejgaon I/A Dhaka-1208	04 March 2020	Md. Anwar Hossain FCA (1703) 23/24, Bangshal Road Dhaka-1100	05 March 2020
Md. Kamruzzaman FCA (1691) Statutory reporting Treasury and Compliance Lead Syngenta Bangladesh Limited Green Rowsonara Tower 755 Satmosjid Road (5th & 6th Floor) Dhanmondi, Dhaka-1205	23 February 2020		

Technical Updates

1. IAASB RELEASES COVID-19 RELATED GUIDANCE FOR AUDITOR REPORTING

IAASB released COVID-19 Pandemic-related guidance for auditors to consider when issuing an auditor's report on the completion of the audit of financial statements.

1. Auditors Reporting in the Current Evolving Environment due to COVID-19
2. Going Concern in the Current Evolving Environment—Audit Considerations for the Impact of COVID-19
3. Subsequent Events in the Current Evolving Environment—Audit Considerations for the Impact of COVID-19

The Covid-19 related guidance for auditor reporting can be accessed at:

<https://www.iaasb.org/news-events/2020-05/iaasb-releases-covid-19-related-guidance-auditor-reporting>

Please note the following link of IAASB on "Guidance for Auditors during the Corona Virus Pandemic" for necessary updates:

https://www.iaasb.org/focus-areas/guidance-auditors-during-coronavirus-pandemic?utm_source=IFAC+Main+List&utm_campaign=87173fe1a0-EMAIL_CAMPAIGN_2018_11_15_07_08_COPY_01&utm_medium=email&utm_term=0_cc08d67019-87173fe1a0-80440409

2. ISA 540 (REVISED) IMPLEMENTATION: ILLUSTRATIVE EXAMPLES FOR AUDITING SIMPLE AND COMPLEX ACCOUNTING

ESTIMATES

The IAASB's International Standard on Auditing (ISA) 540 (Revised) Implementation Working Group has prepared illustrative examples for auditing simple and complex accounting estimates. The examples are designed to illustrate how an auditor could address certain requirements of ISA 540 (Revised), and have been developed to assist the auditor in understanding how ISA 540 (Revised) may be applied to:

- Simple Accounting Estimate – Provision on Inventory Impairment
- Complex Accounting Estimate – Provision on Property, Plant and Equipment Impairment

The examples illustrate accounting estimates with varying characteristics and degrees of complexity. Each example illustrates a selection of requirements from ISA 540 (Revised).

Not all requirements are addressed in each example, nor do they cover all parts of those requirements that have been selected. The requirements selected across each example vary to illustrate different aspects of ISA 540 (Revised) and to focus on those requirements that are most relevant to the example.

These examples are intended to be read together with ISA 540 (Revised). This will demonstrate how an auditor's work effort, to comply with the requirements of ISA 540 (Revised), may be scaled down and scaled up when auditing simple and complex accounting estimates.

The illustrative examples can be accessed at:

https://www.ifac.org/system/files/publications/files/ISA-540-Illustrative-Examples-1-and-2-Simple-and-Complex_Final.pdf

3. IAASB PUBLISHES COVID-19 RELATED GUIDANCE ON AUDITING ACCOUNTING ESTIMATES AND RELATED DISCLOSURES

The IAASB released COVID-19 pandemic-related guidance on auditing accounting estimates and related disclosures. Auditing accounting estimates in the current evolving environment due to COVID-19 guidance may help auditors in the current uncertain and evolving environment.

The Covid-19 related guidance on auditing accounting estimates and related disclosures can be accessed at: <https://www.ifac.org/system/files/publications/files/Staff-Alert-Auditing-Accounting-Estimates-final.pdf>

4. IAASB PUBLISHES COVID-19 RELATED GUIDANCE ON REVIEW ENGAGEMENTS ON INTERIM FINANCIAL INFORMATION

IAASB released COVID-19 pandemic-related guidance on Review Engagements on Interim Financial Information. Review engagements on interim financial information in the current evolving environment due to COVID-19 guidance may help auditors in the current uncertain and evolving environment.

The Covid-19 related guidance on Review Engagements on Interim Financial Information can be assessed at: <https://www.ifac.org/system/files/publications/files/IAASB-Staff-Alert-Interim-r>

[eporting-FINAL.pdf](#)

5. IASB issues amendment to IFRS Standard on leases to help lessees accounting for covid-19-related rent concessions

The International Accounting Standards Board (Board) issued an amendment to IFRS 16 *Leases* to make it easier for lessees to account for covid-19-related rent concessions such as rent holidays and temporary rent reductions.

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before 30 June 2021.

IFRS 16 specifies how lessees should account for changes in lease payments, including concessions. However, applying those requirements to a potentially large volume of covid-19-related rent concessions could be practically difficult, especially in the light of the many challenges stakeholders face during the pandemic. This optional exemption gives timely relief to lessees and enables them to continue providing information about their leases that is useful to investors. The amendment does not affect lessors.

The amendment is effective 1 June 2020 but, to ensure the relief is available when needed most, lessees can apply the amendment immediately in any financial

statements—interim or annual—not yet authorised for issue.

The proposed revision can be accessed at: <https://www.ifrs.org/>

6. Comments on Exposure Draft, “Proposed revisions to the Non-Assurance Services provisions of the Code”

ICAB submitted its comments on IESBA’s Exposure Draft, “Proposed revisions to the Non-Assurance Services provisions of the Code” on 04 June 2020.

The Exposure Draft on non-assurance services includes enhanced guidance to assist firms in evaluating the level of threats to independence when providing non-assurance services to audit client.

7. Comments on Exposure Draft, “Proposed Revisions to the Fee-related Provisions of the Code”

ICAB submitted its comments on IESBA’s Exposure Draft, “Proposed Revisions to the Fee-related Provisions of the Code” on 04 June 2020.

The Exposure Draft on Fees includes enhanced guidance on identifying, evaluating and addressing threats to independence in relation to other fee-related matters, including the proportion of fees for services other than audit to the audit fee.

8. Comments on the Exposure Draft on Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Proposed Amendment to IAS 1)

ICAB submitted its comments on IASB’s Exposure Draft, “Classification of

Liabilities as Current or Non-current — Deferral of Effective Date (Proposed Amendment to IAS 1)” on 03 June 2020.

As per Exposure Draft the IASB’s proposed for deferring the effective date of Classification of Liabilities as Current or Non-current (Amendments to IAS 1) by one year to annual reporting periods beginning on or after 1 January 2023. Earlier application of the amendments will continue to be permitted.

9. Comments on the Exposure Draft on COVID-19-related Rent Concessions (proposed amendment to IFRS 16)

ICAB submitted its comments on IASB’s Exposure Draft, “COVID-19-related rent concessions (proposed amendment to IFRS 16)” on 29 June 2020.

The objective of the amendment is to give timely relief to lessees when applying IFRS 16 to covid-19-related rent concessions while still enabling them to provide useful information about their leases to investors.

The proposed amendment is effective for accounting periods commencing on or after 1 June 2020. Earlier application is permitted, including in financial statements not authorised for issue at 28 May 2020.

10. ICAB has taken initiatives to create a separate section at ICAB website relating to Potential Impact of COVID-19 on the Financial Reporting, Auditing and other relevant matters.

Regulatory Updates

Bangladesh Bank

The Foreign Exchange Policy Department of Bangladesh Bank has issued a circular FE Circular No. 21 dated 02 June 2020 clarifying the auditor appointment for Banks or Financial Institutions that was stated in BRPD circular No. 12 dated 04 July 2001.

The circular clarifies that no auditor of Banks or Financial Institutions (FI) can be re-appointed for the concerned Banks or FI's for three consecutive years from the expiry of three years of audit appointment for doing Statutory Audit and Cash Incentive Audit.

The circular is available at: <https://www.bb.org.bd/mediaroom/circulars/fepd/jun022020fepd121.pdf>

Considering the impact of COVID-19 in Bangladesh Economy, Bangladesh Bank has instructed all the Financial Institution as under vide DFIF Circular No 01 dated 24 March 2020:

“No existing Loan/Lease & Advance will not be classified due to irregular payment/ non-payment for the period from 01 January 2020 to 30 June 2020.”

The circular is available at: <https://www.bb.org.bd/mediaroom/circulars/ffd/mar242020dfim01.pdf>

Bangladesh Securities and Exchange Commission (BSEC)

The Bangladesh Securities and Exchange Commission (BSEC) has directed the following issues vide its Order No. SEC/SRMIC/04-231/932 dated 24 March 2020:

- a. All the listed companies are, hereby, given a temporary

relaxations compliance with the provisions of Listing Regulations or other securities laws relating to holding of AGM/EGM, Board of Directors' Meeting, publication and dissemination of Price Sensitive Information and requirements of monthly/quarterly submissions and other submissions to the Commission and the Exchanges subject to the limitations or compliances in other regulatory framework;

- b. In order to avoid large gathering at one place and to maintain social distancing for holding AGM/EGM, listed companies may use any digital platform at different locations considering the geographical dispersal of its members/shareholders subject to ensuring proper protective measures during the meeting, ensuring voting and other rights of shareholders as well as the limitations and compliances in other regulatory framework;
- c. The directors of the listed companies may hold their board meetings through the use of digital platform subject to the limitations and compliances in other regulatory framework;
- d. In case of using digital platform, proceeding of the meetings (AGM/EGM/BOD) shall be recorded in both soft and hard copies in a way so that subsequent verification can be undertaken and hard copies shall be duly authenticated as per regulatory requirement; and

- e. The Stock Exchanges are advised to bring the provisions of this order to the notice of all the listed companies and also disseminate on their websites.

The detail order can be accessed at: https://www.sec.gov.bd/slaws/Order_24.03.2020.pdf

The Bangladesh Securities and Exchange Commission (BSEC) has notified the following issues vide its Notification No. BSEC/CMRRCD/2009-193/3/Admin/104 dated 03 February 2020:

“In the Directors' Report to the Shareholders, the Board of listed company shall make disclosure, in case of appointment or re-engagement of any member of the Board of Directors, about the primary employment and other engagement including directorship in other companies in the resume of such member of the Board of Directors.”

The detail notification can be accessed at: [https://www.sec.gov.bd/slaws/Notification_05.02.2020_\(3\).pdf](https://www.sec.gov.bd/slaws/Notification_05.02.2020_(3).pdf)

Financial Reporting Council (FRC)

The standard Setting Division of Financial Reporting Council (FRC) has identified many irregularities in annual financial statements of different companies. FRC published a circular No. 146/FRC/SS/2019/181 dated 11 April 2019 for ensuring compliance by the concerned companies and auditors.

The detail Circular can be accessed at: <https://www.frcbd.org/wp-content/uploads/2020/03/FRC-4x10-665x1024-converted.pdf>

Creation of International Help Desk

The RCOMCC Committee recommended to create a dedicated 'Service Desk' with an appointment of a dedicated officer of ICAB to ensure 'one stop service' for all ICAB Regional Committees and Overseas Chapters members.

The Committee will maintain instant liaison with ICAB Secretariat to implement this proposal as early as possible. Besides, for the time being, Committee assigns Md Nasrat Hasan (e-mail: nasrat.hasan@icab.org.bd), Deputy Director and Member Secretary of this Committee to attend all communication made from overseas chapter members in regards to professional matters.

COVID 19 Testing at Japan East West Medical College Hospital

Upon an understanding, ICAB has arranged a functional line to have COVID 19 testing at Japan East West Medical College Hospital at Uttara, Aichi Nagar, JBCS Sarani, Khairtek, Turag, Dhaka.

All members, employees of ICAB including their families and relatives will be able to get the test done at the hospital on priority basis. Should anybody face difficulty, the name of Dr. S. M. Mamun Iqbal, Associate Professor, Cardiology, Japan East West Medical College Hospital could be referred.

ICAB has made the similar arrangement with Anwar Khan Medical College and Hospital, Dhanmondi, Dhaka earlier.

Virtual meeting with North American Chapter (NAC)

RCOMCC of ICAB held a virtual discussion meeting with North American Chapter (NAC) through online zoom video conferencing on 27 June 2020.

Chairman of RCOMCC and Council Member Mahamud Hosain FCA along with Co-Chairman Akhtar Sohail Kasem FCA, DRC Chairman Ziaur Rahman Zia FCA, Director (Technical) Mahub Ahmed Siddique FCA, ICAB North American Chapter (NAC) Chairman AKM Asaduzzaman FCA, Secretary Md. Mahbulul Haque FCA, Members Mohammad Shakawat Hossain Bhuyan FCA, Mohammed Arif Uddin FCA, Md. Sarwar Hossen FCA, participated in the discussion.

A discussion took place on wide range of issue like creation of email ID in ICAB domain for Chairman and Secretary of ICAB NAC to maintain official communication from the Chapter end, registration of ICAB NAC in Toronto, Canada, opening of a Bank Account for ICAB NAC in Canada, timing of ICAB CPD through virtual platform, publication of events of ICAB NAC in ICAB Monthly News Bulletin and Annual Report, creating a dedicated 'Service Desk' for all ICAB Regional Committees and Overseas Chapters members for any professional matters.



Md Shahadat Hossain FCA, council of ICAB Expressing his view on starting capital market and full banking transactions after the long closure due to shutdown at channel 71 recently.

Request for Membership of ICAB Members' Welfare Foundation (IMWF)

ICAB Members' Welfare Foundation (IMWF) has been formed by ICAB for the benefit and welfare of the members of ICAB.

Respected members are requested to kindly collect registration form and send filled in form to ICAB Secretariat alongwith a crossed cheque/Pay Order/ DD of Tk. 25,000 (Taka twenty five thousand) only as membership admission fee in favour of 'ICAB Members Welfare Foundation.'



ICAB Academic Campus News (May)

Online Special Classes for Professional Level students started from 03 April 2020 (in the eve of crucial pandemic), under the auspices of ICAB-Academic Campus concluded on 22 May 2020. The participants attended day-long virtual classes. The students gave feedback and termed online classes to be helpful in the current Covid 19 pandemic atmosphere.

Meanwhile, inline with the government preventive measures of COVID-19 (Corona virus) epidemic and realizing the practical situations across the country, the Institute has started its Professional Level student's classes from 03 May 2020 through virtual platform. There are 141 students and 22 teachers in the session. The session is expected to be concluded by July 2020.

On the other hand, the regular classes of Certificate Level also commenced from



Students participating online class

02 June 2020 through virtual platform. There are about 200 students in the session.

The new session (September-November, 2020) Certificate Level classes have been scheduled to be commenced from 01 September, 2020 at ICAB-Academic Campus. On

government instructions and considering the existing situation of the country, the class enrolment notice will be announced in due course.

However, ICAB- Academic campus has resumed its office function from May 31, 2020 in accordance with the instructions of the Government and ICAB authority.

ICAB Academic Campus News (June)

ICAB started its- Professional Level Special Classes at online system (for the students who needed further support) since 03 April 2020 and concluded on 22 May 2020. The participants attended the day-long virtual classes and the feedback on the attendances were encouraging.

The regular classes of Advanced Level (Students-54) and Professional Level (Students-141) are also continuing from 03-May-2020 through online platform.

Simultaneously, the regular classes of Certificate Level are on since 02 June 2020 at virtual platform in attendance of by 200 students.

These sessions are expected to be concluded by August 2020, so as to enable the students to sit for the final exam in coming months.

Again, the new session (September-November, 2020) for the fresh Certificate Level students have been scheduled to commence from 01 September, 2020 at ICAB-Academic Campus. On the government

instructions and considering the existing situation of the country, the class enrolment notice will be announced.

CA subjects' manual and all suggested answers are available in the books' sale centre at academic campus.

ICAB-Central Library will continue to remain closed to avoid mass gathering.

The above Program and Session have been organized by the Additional

Director, In-Charge of Academic Campus and his team, under the supervision of the Vice President (Education & Examination)- ICAB, Sidhartha Barua FCA, with the guidance and consent of the Chairman, Board of Studies-ICAB, ABM Azizuddin FCA & President of ICAB, Muhammad Farooq FCA.



Announcement

(Classes of Next Session)

The new session (September-November, 2020) for Certificate Level students have been scheduled to be commenced from 01 September, 2020 at ICAB-Academic Campus. Following the government instructions and considering the existing situation of the country, the class enrolment notice will be announced in due course.

Source: ICAB Campus

Looking for Branch Head in a CA Firm

A CA Firm having Branch in Chattogram needs a Branch Head as Director from recently retired (Govt./Semi Govt./Private Jobs) FCAs of Chattogram Area. A package with partnership prospect may be offered to capable CAs. Interested Individual having good health & age below 65 years are advised to contact- **+8801711523775**.

Obituary

Mr. Md Mahtab Hossain FCA (Enrl. 127), passed away on 24 June 2020 at Evercare Hospital (Apollo Hospital), Dhaka (Inna Lillahe Wa Inna Illahe Rajeun).

On behalf of the Institute, President Muhammad Farooq FCA expressed deep condolence to the bereaved family and sought eternal peace to the departed soul.



Md Mahtab Hossain FCA

Mr. Kanchi Lal Das FCA (Enrl. 403) passed away on 28 May 2020 at DMCH, Dhaka. His last religious formalities was held at Postogola Crematorium, Dhaka.

On behalf of the Institute, President Muhammad Farooq FCA expressed condolence to the bereaved family and sought eternal peace to the departed soul.



Kanchi Lal Das FCA

Mr. Md. Tofazzal Islam Talukder FCA (Enrl. 608), Partner of Howladar Yunus & Co., Chartered Accountants passed away on 23 May 2020 at a Hospital, Dhaka (Inna Lillahe Wa Inna Illahe Rajeun). His Namaz-e-Janaza was held at a Mosque of Dhanmondi, Dhaka and later on Burial took place at Banani Graveyard, Dhaka.

On behalf of the Institute, President Muhammad Farooq FCA expressed condolence to the bereaved family and sought eternal peace to the departed soul.



Md. Tofazzal Islam Talukder FCA

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resulted from COVID 19. Therefore, each entity needs to re-assess their credit risk, timing and uncertainty of future cash flows, moratorium in repayment declared by Government, potential insolvency of customer and other related factors to calculate provision for impairment.

He also said, there are some guidance from IFRS Foundation on how to consider government or bank declared moratorium on loan repayment (payment holiday) and whether those would result in SICR.

Although in Bangladesh, Banks and NBFIs follow Bangladesh Bank Circulars to calculate required loan loss provision which are based on actual duration of overdue/arrear (i.e. incurred loss model under earlier IAS 39) and hence IFRS 9 ECL model is not applicable for those entities. Nevertheless, other entities having trade and other receivables need to consider COVID 19 impact to assess ECL of those balances., he went on.

He also described the fair value measurement and classification of financial asset, and relevant areas of financial reporting.

On pandemic Covid 19, the learned paper presenter pointed out some audit areas which require special attention. These are Reliable data and information to validate critical estimates and judgments, Travel and movement restrictions, Alternate method of evidence gathering and documentation, potential COVID 19 impacts on audit with reference to the related auditing standards, and so on.

Auditors need to maintain continuous communication with management and TCWG and constantly make them aware of any audit related issues, like restrictions of movement or difficulties in obtaining audit evidence, scope and timing of audit, modifications to audit plan and key audit matters (KAM), disagreements on key estimates and judgments taken by management on COVID 19 related impact, etc., Mr. Ahmed suggested.

Nasir Uddin Ahmed FCA, Member Council and Past President of ICAB summarized the discussion of the conference. The conference was attended by over 750 participants.

Members' Conference on 'COVID 19 Impacts on Financial Reporting and Audit'

At the backdrop of panic and uncertainty caused by COVID 19 in Bangladesh and throughout the world, ICAB organized the Virtual Members' Conference on 'COVID 19 Impacts on Financial Reporting and Audit' on 20 June 2020 where Muhammed Farhad Hussain FCA, Past President-ICAB was present as the Chief Guest, Nasir Uddin Ahmed FCA, Member Council and Past President of ICAB acted as the session chairman while Sabbir Ahmed FCA, Vice President-ICAB and Partner, Hoda Vasi Chowdhury & Co, Chartered Accountants presented the keynote paper. ICAB President Muhammad Farooq FCA delivered address of welcome. Vice Presidents, Members Councils, Past Presidents and Fellow Members of the Institute participated in the conference.

ICAB President Muhammad Farooq said, as CAs we cannot but avoid financial reporting or auditing despite ongoing pandemic situation. For auditors, the uncertainty arising from the current environment has increased the challenges in obtaining appropriate audit evidences needed to form an independent view about the reasonableness of management's estimates and judgments, he cautioned.

Auditors will also have to exercise professional judgment and professional skepticism and must remain focused on their ethical responsibilities. He urged the auditors to take proper cognisance of Professional Judgment and Professional Skepticism,



Planning–Risk Identification and Assessment, Audit Evidence, Auditing Accounting Estimates, Going Concern, Auditor Reporting and Subsequent Events, etc.

As the Chief Guest Muhammed Farhad Hussain FCA said, the pandemic COVID 19 has impacted not only the economy of Bangladesh but also the economy of all countries of the world. Each and every sector of the economy have been hit hard. Mr. Hussain expressed grim concern about the recovery of economy. If the situation continues for long period, the stimulus packages which have been announced by the government may not bring viable solution to the problems. In many respects the accounting profession might be affected, he said citing some examples from neighbouring country India. Auditor's estimate, assumption and projection in audit report would not be reliable because at present the situation is very much unpredictable. We do not know when the trajectory of COVID 19 will end, he lamented. In this

situation he suggested for finding out alternative audit procedures. Auditors must be cautious while auditing balance sheet in this period, he suggested.

Sabbir Ahmed, FCA, Vice President, ICAB and Partner, Hoda Vasi Chowdhury & Co presented Keynote paper on 'COVID-19 Challenges on Financial Reporting and Auditing'. He discussed various technical aspects of the Financial Reporting and the Auditing.

On Significant Increase in Credit Risk (SICR) & Expected Credit Losses (ECL), he said, IFRS 9 sets out a framework for determining the amount of expected credit losses (ECL) which should be recognised. Lifetime ECLs be recognised when there is a significant increase in credit risk (SICR) on a financial instrument, he added.

Mr. Ahmed mentioned that a number of assumptions and expectations underlying the way ECLs have been implemented previously may no longer remain valid in the current situation

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