



# BDO in Pakistan

N E W S L E T T E R



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# News from BDO Global

# Pat Kramer becomes BDO's Global CEO

BRUSSELS, 1<sup>st</sup> November 2022

BDO has today announced that **Pat Kramer, former CEO of BDO in Canada and a member of BDO's Global Board**, will succeed Keith Farlinger as the Global CEO of the BDO organization.



**Pat commented on his appointment:**

"I am delighted to be taking over from Keith, who has done a fantastic job over the past few years. Keith's focus has been to unify BDO as a global organization, based on a strong leadership strategy including initiatives to manage risk and invest in quality. In my new role, I will solidify what Keith has started, to protect and strengthen BDO while leading with our great culture and shared purpose of People helping People. However, those focus areas aside, today's biggest challenge is undoubtedly the pace of change. We are no longer periodically interrupted by change, we now live in a world of change."



## BDO Global announces financial results for 2022

Strong global economic activity in the past 18 months resulted in a surge in demand for BDO's global services, across most business lines and industries. BDO's investments in key talent, services and technology, provided the foundation to grow, develop our people and deliver sustainable client-centric solutions.

BDO announces a total combined fee income\* of 12.8 billion USD/11.8 billion EUR for the year ended 30<sup>th</sup> September 2022, representing a year-on-year growth of 12.1% at constant exchange rates (+20% in USD, +8.76% in EUR).

[Click here to read more](#)



# Local Regulatory Updates



## Changes in corporate **Laws / Regulations / SECP Notifications:**

### **Security Exchange Commission of Pakistan Reforms & Developments:**

#### **Issuance of digital mortgage certificates and certified copies of returns:**

SECP has started the issuance of digital mortgage certificate and acknowledgement of annual and other returns which is equivalent to the physical certificate/acknowledgement for all legal purposes. Moreover, SECP has also launched a facility for issuance of digital certified true copies of company's statutory returns and company profile.

#### **Online facility for Companies Easy Exit under Companies Easy Exit Regulations (CEER):**

The SECP has launched an online portal of Companies Easy Exit Scheme aimed at automated and simplified process of easy exit. Accordingly, a private or public unlisted company which ceases to operate and has no known assets and liabilities, may apply directly to the registrar to strike its name off the register of companies through a simplified way instead of submitting a winding up petition to the court.

#### **Digital portal for banks:**

In coordination with the State Bank of Pakistan, SECP launched an exclusive digital portal in March, 2021, which has become fully functional. The portal is currently being used to enable all banks to open corporate accounts without seeking physically certified copies of statutory documents from its customers.

## Changes in **Taxation During 2022-23:**

As per the frequent changes in Pakistan, Tax authorities make changes in various Finance Act areas. Recently, Finance Act 2022 has been issued by tax authorities via Circular No. 15 of 2022-23 (Income Tax and CVT) having reference C.No.4(21) IT-Budget/2022 dated July 21<sup>st</sup>, 2022. A detailed budget summary has been issued by BDO Pakistan for the clients' awareness.

# IFRS Updates:

## **Classification of Liabilities as Current or Non-Current (Amendments to IAS 1):**

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Annual reporting periods beginning on or after 1<sup>st</sup> January 2023.

### **IAS 1 amendments on classification:**

On 23<sup>rd</sup> January 2020, the IASB issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments were originally effective for annual reporting periods beginning on or after 1<sup>st</sup> January 2022, however, their effective date has been delayed to 1<sup>st</sup> January 2023.

### **IAS 12 amendments on deferred tax:**

On 7<sup>th</sup> May 2021, the IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)' that clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for annual periods beginning on or after 1<sup>st</sup> January 2023.

### **The effective date of amendments to IFRS 17:**

On 25<sup>th</sup> June 2020, the IASB issued 'Amendments to IFRS 17' to address concerns and implementation challenges that were identified after IFRS 17 'Insurance Contracts' was published in 2017. The amendments are effective for annual periods beginning on or after 1<sup>st</sup> January 2023.

### **Amendments on disclosure of accounting policies:**

On 12<sup>th</sup> February 2021, the IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1<sup>st</sup> January 2023.

### **IAS 8 amendments on accounting estimates:**

On 12<sup>th</sup> February 2021, the IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1<sup>st</sup> January 2023. And many other standards changes and amendments applicable at or after 1<sup>st</sup> January, 2023.



# News from BDO in Pakistan





## Quality Control Updates:

### International Standard on Quality Management (ISQM) 1:

International Standard on Quality Management (ISQM) 1 requires that a compliant system of quality management be designed and implemented no later than 15<sup>th</sup> December, 2022 and that the first annual evaluation be performed within one year of that date. ISQM 1 updates and modernizes the requirements for a system of quality management which a firm must have in place to provide reasonable assurance that the firm and its people fulfill their responsibilities in accordance with all applicable standards, laws and regulatory requirements, that engagements are conducted in accordance with those standards and requirements, and that engagement reports issued by the firm are appropriate. In so doing, a firm serves the public interest.

On an annual basis, the firm is required to evaluate and conclude on the effectiveness of their system. A firm is required to share a description of how the system of quality management supports consistent performance of quality audits with those charged with governance of audited listed entities. Our firm is ready to comply with ISQM 1. Our activities include, among other things, assessing the requirements laid out in ISQM 1, analyzing our current system of quality management to identify changes and improvements necessary to comply, identifying and assessing quality risks, and designing responses to address those risks.

## IS Assurance Updates:

### BDO in Pakistan Digital Transformation Services:

- a) Compliance against SBP Regulatory requirements
- b) Digital and technology roadmap
- c) Cyber security/resilience strategy
- d) Cloud readiness and migration
- e) Business process automation / Business process re-engineering
- f) Agile digital project delivery

## Cyber Security review approved PTA Auditor:

PTA Authority issued Critical Telecom Data and Infrastructure Security Regulations (CTDISR) on 8<sup>th</sup> September 2020 and directed all PTA licensees to implement CTDISR controls by July 2021, to give licensees sufficient time to allocate budget and deploy necessary security controls for compliance. Similarly, PTA directed all licensees to conduct Third-Party Audits from PTA's approved Cyber Security Audit Firm.

## Penetration Testing of Digital Lending Mobile App against SECP Circular No.15 of 2022 for NBFC-engaged digital lenders:

The Securities and Exchange Commission of Pakistan (SECP) has issued Circular no.15 of 2022 for Non-Banking Finance Companies (NBFCs). Prior to the launch of an app or any other digital channel for lending, the Digital Lender shall seek approval of the commission and submit a certificate from the Pakistan Telecommunication Authority (PTA) approved Cyber Security Audit Firm (CSAF).

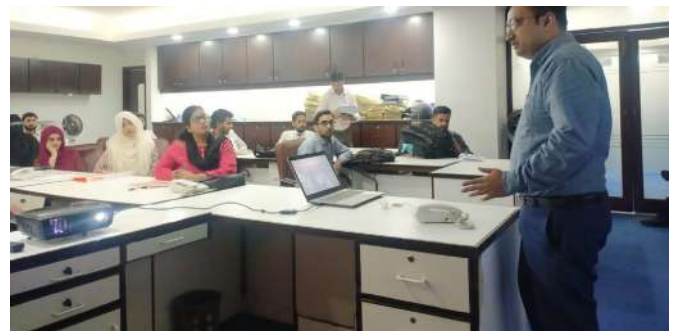
For the above services, BDO is registered in Category 1 (Cat – I) of PTA-approved Cyber Security Audit Firm (CSAF).

**Security Audit Firms Categorization** - [Click here](#)

## Trainee Induction Program – Winter 2022

The trainee induction program is a signature program of BDO in Pakistan, where we hunt for the best talent from different RAETs. In the last quarter of winter 2022, BDO in Pakistan inducted CAF-qualified students. Our recruitment team hired 25 trainees for the Karachi office, 13 for the Lahore office, and 18 for the Islamabad office after a rigorous process of induction which includes a written test followed by an interview. We received a huge number of applications nationwide, from which our recruitment teams filtered the best talent.

**Best wishes to the new trainees!**



## Promotions & Inductions of Partners

at BDO in Pakistan:



BDO in Pakistan is expanding in full swing. BDO in Pakistan congratulates its new partner **Abdul Rab FCA, Partner Corporate Finance, Transactions & Restructuring Services**, on his appointment and extends a warm welcome and best wishes on joining our ever growing team. We are delighted to have you on board and look forward to your input and contributions.



BDO in Pakistan spreads its heartiest congratulations to **Ismail Shabbir ACA** who got promoted to the designation of Partner - Taxation. Excellent character and pursuit of excellence have brought you to this moment. With your successful leadership skills, this firm will take confident strides into the future. Your advancement is no surprise to those who know you well.

## Senior Member ICAP Award to “Ms. Iffat Hussain”

The Northern Regional Committee (NRC), in collaboration with the CPD Committee Islamabad/Rawalpindi arranged an ICAP Member Family get-together and brunch on Saturday, December 3<sup>rd</sup>, 2022, at 1969 Restaurant, Garden Ave., Shakarparian, Islamabad.

Iffat Hussain FCA; Partner Audit & Assurance, was presented with the award by the CPD Committee Islamabad/Rawalpindi. We are proud of her exemplary career growth, and we are delighted to have such an inspirational personality among us.



## New Year Celebrations at BDO in Pakistan

Let new beginnings signify a new chapter filled with pages of success and happiness, written with the ink of hard work and intelligence. BDO in Pakistan celebrated the **New Year 2023** with the leadership and staff. All employees of BDO in Pakistan penned down their resolutions for the new year on a big white canvas, where they actually promised themselves to work on them.



This activity was followed by a cake-cutting ceremony. May this year bring peace and joy to you and your family. **Happy New Year 2023!**

## National Finance Olympiad

The National Finance Olympiad (NFO) is a one-of-a-kind initiative launched by the ICAP PAIB Committee in collaboration with Unilever Pakistan to showcase the talents of finance professionals. It is an excellent combination of testing skills, showcasing talent and basking in the glory of triumph.

The exciting program encourages participants to step up their knowledge and application of Accounting, Finance and Governance standards, facilitates networking and recognizes finance talent. The event, while fostering an environment of competition, also promotes a culture of learning through knowledge sharing.

BDO in Pakistan participated with a four-member team in the National Finance Olympiad 2022 at ICAP. Team members included:

**Haziq Neshat Akhtar**

Executive Director of Risk Advisory Services

**Saad Younas**

Direct Audit & Assurance

**Waqas Amjad**

Manager of Audit & Assurance

**Priya Dembra**

Assistant Manager of Audit & Assurance

## BDO in Pakistan 3<sup>rd</sup> Intra Firm Tape-Tennis Cricket Tournament



Cricket is a sport where we see commitment, passion, and resilience. It provides a valuable lesson in teamwork, team building and bonding. BDO in Pakistan organized a one-day cricket tournament comprising six teams. BDO in Pakistan Alumni also participated in the tournament under the team label of BDO Giants.

The tournament began with two groups of three teams each. The top four teams qualified for the semi-finals in cross-group matches. The grand finale match was between BDO Giants and BDO Sharks. After a nail-biting match, BDO Sharks won the game and were declared champions. Bharat Kumar stood out as the player of the tournament and best batsman, and Syed Saad Bukhari as the best bowler of the tournament.

## ICAP Member Convocation 2022

**“No great achievement is possible without persistent hard work”**

BDO in Pakistan always appreciates its staff’s professional achievements. Atif Riaz; Partner Audit & Assurance, received his Fellow Chartered Accountant (FCA) certificate in the convocation ceremony of the Institute of Chartered Accountants of Pakistan. The ceremony was held at the President House, Islamabad in October 2022.

**The honorable President, Dr. Arif Alvi** graced the ceremony as the chief guest and awarded gold medals and merit certificates to the outstanding performers.



## IT Advisory Webinar

As we step into the digital world, there are many challenges being faced within personal and professional networks.

To address these issues, BDO in Pakistan organized a webinar in which industry experts shared their vast insights on how to manage and counter cyber security and data privacy problems. BDO in Pakistan invited panelists from BDO in Singapore, BDO in Hong Kong, and Habib Bank Limited. The webinar commenced with opening notes by Wahid Ahmed; Executive Director of IT Assurance & Advisory Services – BDO in Pakistan.



This session was moderated by Syed Arij Hashmi; Head of Learning & Corporate Communications and Syed Shoukat Shah; Senior Manager IT Assurance & Advisory Services.



## Visit to Karachi School of Business Studies

BDO in Pakistan is always looking out for talented students who will make us proud in the field. For this purpose, Mr. Sajid Kapadia, Principal - Karachi School of Business Studies, invited the Learning & Development and HR teams to visit their state-of-the-art campus. The main topic of discussion was “What are the basic requirements of audit firms in terms of trainee inductions?” and “What are the key attributes we look for in students?”

## BDO in Pakistan: A Rising Star

### Muhammad Asfandyar

Hello! I am Muhammad Asfandyar. Upon my ACCA qualification, I joined the BDO in Pakistan Islamabad office as an intern. Initially, I encountered various problems and difficulties in understanding the environment at BDO in Pakistan but with hard work and the support of my colleagues, seniors, managers and partners, I diversified my experience of working in various departments.

After completing my 3-year training, I became a Supervisor with the firm, which eventually led to immense career growth. It has been 5 years now, and I am now serving as an Assistant Manager Audit. BDO has provided me with a lot of opportunities to excel and improve my skills in an impeccable way.





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