



PRESIDENT'S MESSAGE



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ICAC President

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I am happy to update you on the activities of the Institute of Chartered Accountants of the Caribbean (ICAC) since the publication of our last Newsletter issue in July.

Implementation of IFRS for SMEs

The ICAC has welcomed the much anticipated release of IFRS for Small and Medium-sized Entities by the International Accounting Standards Board (IASB). The Standard is available for use effective July 2009 and we encourage all member institutes in the region to adopt the Standard for implementation in their respective jurisdictions. The complete Standard is available from the IASB website.

In keeping with our role to promote internationally acceptable standards within the Caribbean region, the ICAC has embarked on a number of initiatives in collaboration with member institutes to assist with the effective implementation of IFRS for SMEs in the region.

One such initiative was a forum on IFRS for SMEs, which the ICAC was pleased to host jointly with its member body, the Institute of Chartered Accountants of Trinidad and Tobago (ICATT). The event which was held in Trinidad on November 30, attracted participants from all over the region and enabled members of the profession and other stakeholder representatives to learn about the Standard and its requirements for Small and Medium-sized Entities. More importantly, it provided an opportunity for participants to air their concerns and to get clarification on the Standard.

The forum discussions provided valuable

insights and feedback. It was noted, for example, that while the standard is described as simple there is a great need for more regional fora and training opportunities to facilitate ongoing discussions and sensitization of members of the profession to the new Standard.

Some persons were also of the view that the ICAC should be more involved in advocacy/lobby with government and other key entities in the region on issues such as the free movement of professionals, regulatory matters and other issues of relevance to the profession. In this regard, I am happy to report that discussions are already underway at the level of the ICAC Board to formulate a reciprocity agreement to facilitate the free movement of accountancy professionals within ICAC member territories.

The ICAC is also collaborating with the IASC Foundation to host a regional 'train-the-trainer' IFRS for SMEs workshop from June 28 – 30, 2010 in The Bahamas. The workshop will be held in conjunction with the ICAC's Annual Caribbean Conference of Accountants to be held in The Bahamas from June 24-26, 2010

The workshop facilitators will be Michael Wells, Education Director of the IASC Foundation and Paul Pacter, Director of Standards for SMEs at the IASB. Mr. Pacter is also the head of the technical group which developed the new standard for SMEs. The workshop will provide participants with an opportunity to learn more about the standard and to be fully-equipped to assist their various sectors and organizations in

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effectively implementing the new standard. The ICAC Secretariat will be disseminating further details on this workshop to member Institutes and other stakeholders.

Regional Practice Monitoring Report

The implementation of the ICAC/ACCA practice monitoring programme is ongoing across the region. Reports from the ACCA monitoring team have been received by some member institutes, who are providing support and guidance to individual members and firms to address the various issues raised in the monitoring reports. The monitoring review process will continue in 2010 and we expect to see significant improvements in the regional accountancy profession as a result.

Initiatives for 2010

Efforts are being made to increase the number of joint CPD seminars and training with member institutes around the region.

The objective is to help meet the continuing professional development needs of members in our smaller member territories. Plans are already underway to host joint CPD seminars in Suriname and St. Kitts in the first quarter of 2010.

We will continue discussions with the Suriname Association of Accountants, a relatively new accountancy body, which has expressed interest in joining the membership of the ICAC. In this regard, our CEO, Misha Lobban, visited Suriname in November 2009 as a part of a follow-up to my visit with the Association in July 2009 as we seek to identify the areas where the ICAC can provide support in further developing the Association and to ensure that it meets the requirements for membership within ICAC.

We believe that where there are potential member bodies within the region that do not yet have a well-established structure and are in embryonic stages of development, it is the responsibility of the ICAC to assist in their development so that the overall standard of the profession regionally is augmented. As such, we have recently amended our Articles to include provisions for the category of Associate member. Further review and modernization of the Articles to ensure that it is in keeping with good corporate governance practices will commence in 2010 and will involve consultations with member institutes and other key stakeholders.

Acknowledgements

As this is the last newsletter issue for 2009, I wish to express my appreciation to the Board of Directors, the CEO and Administrative Assistant of the ICAC Secretariat for their sterling contribution and support during this my first year as President. I also wish to thank our member institutes, affiliates and stakeholders in the region and overseas for your invaluable support during the year. I extend to you all Seasons Greetings and best wishes for the New Year.

Harryram Parmesar
President



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BOARD OF DIRECTORS' MEETING

The ICAC's 55th Board of Directors' Meeting was held on Saturday, October 10, 2009 in Miami, Florida. Among the issues on the agenda were:

- **The ongoing implementation of the ICAC/ACCA Practice Monitoring Programme** within member territories in the region. Monitoring visits by ACCA's monitoring team have been carried out in Barbados, Guyana and Trinidad and Tobago and will continue in 2010. In addition, following the signing of monitoring contracts by The Bahamas and the Eastern Caribbean in June 2009, a team from ACCA visited The Bahamas, St. Lucia and Antigua in November to make presentations to practitioners on the monitoring review process. This is in preparation for the commencement of the monitoring programme in these territories in 2010.

It is anticipated that Belize and Jamaica will sign on to the regional monitoring programme in 2010.

- **Amendments to the ICAC's Articles of Association** to ensure that it reflects the current mandate of ICAC and good corporate governance practices were approved by majority vote at the ICAC's Annual General Meeting in June 2009. Phase two of the review and modernization of the Articles is scheduled to commence shortly and will be led by a Task Force chaired by Vice-President, Joan Brathwaite and comprising Directors, Prunella Vassell; Lyle Handfield and Muir Brown.
- **The Affiliation Agreement between ICAC and regional institutes** was signed by Barbados, the Eastern Caribbean and Trinidad and Tobago at the board meeting. The agreement has subsequently been signed by Belize and Guyana.

The Affiliation Agreement seeks to harmonise specific areas and responsibilities under the ambit of the ICAC in the interest of the regional accountancy profession. The specific areas outlined in Schedule A of the Agreement are:

- (i) Admission of Members (The ICAC will establish harmonized standards for admission in the region and national institutes will maintain authority and responsibility for recruitment and administration of admission standards/requirements)
- (ii) Professional regulations for the regional profession including a Code of Ethics and CPD standards in compliance with IFAC's standards which would be set by ICAC. national institutes will maintain responsibility for the implementation of CPD programmes, disciplinary procedures and quality assurance programme within their respective territories
- (iii) Public Interest and Advocacy at the international and regional level by the ICAC on behalf of the accountancy profession

- **An ICAC Board Policy Manual** was formally presented at the board meeting. The manual outlines the ICAC's goals and objectives, the Articles of Association, ICAC's governance structure as well as significant policy decisions made by the ICAC Board over the years. The manual will serve as an important resource document for new and existing Directors.

FACTOID

HISTORICAL TIDBIT



Ms. Angela Lee Loy was the first female to be elected President of the ICAC in 2006 and held that office until June 2009.

During her presidency, a number of the ICAC's strategic goals were advanced, most notably, the implementation of the ICAC/ACCA regional monitoring programme which officially commenced in 2008 with the signing of contracts by member Institutes in Barbados, Guyana and Trinidad and Tobago. The Bahamas and Eastern

Caribbean also signed contracts for the practice monitoring programme in June 2009 during her presidency.

Ms. Lee Loy is the Managing Director of Aegis Business Solutions Limited and Aegis Management Solutions Limited. She has

over thirty years experience in Auditing and Business Advisory Services having worked with Aegis and PricewaterhouseCoopers (PwC), including a six-month attachment at PwC's Hong Kong office.

She is also the first female president of the Institute of Chartered Accountants of Trinidad and Tobago (ICATT), from 2007-2009. She is currently the Trinidad and Tobago representative on the International Assembly of the Association of Chartered Certified Accountants (ACCA) and the Chairman of Trinidad and Tobago's National AIDS Coordinating Committee (NACC).

In 2002, she was inducted into the International Association of Business Leaders and in 2004, she was selected as an honoured member of the Who's Who of Professionals in Trinidad & Tobago.

Association of Chartered Certified Accountants (ACCA)

ACCA celebrates 10th Anniversary

ACCA celebrated the 10th anniversary of its Caribbean office in November 2009. A gala event to mark this milestone was held on November 2, at the Hyatt Regency Hotel in Trinidad. ACCA chief executive, Helen Brand, was the featured speaker.

Certificate in International Auditing

ACCA now offers its Certificate in International Auditing (CertIA) in Spanish and Portuguese in addition to its existing English language version. The study materials and the assessment for the certificate are delivered entirely online through ACCA's e-qualification portal.

New online training resource – ACCA COMPASS

ACCA has launched a new online training resource – developed by accountants for accountants. Called *ACCA COMPASS*, the resource assesses core competencies and abilities online. Unique to ACCA, the resources allow members to benchmark their skills against a given role at various levels of experience. It also allows them to create a career development pathway on the same career trajectory or into a parallel track. For more information visit, www.accaglobal.com/members/cpd/plan/acca_compass

ACCA welcomes completion of IASB's project

The International Accounting Standards Board's (IASB) new standard for small and medium sized enterprises (SMEs) will have significant impact on millions of companies around the world, says ACCA in welcoming the announcement. Richard Martin, Head of Financial Reporting at ACCA said: "The use of international standards across the board should add credibility to the financial statements of unlisted companies, at a time when potential users of accounts want to be able to rely on the figures they see".

ACCA Policy paper on The Future of Financial Regulation

International policy paper, *The Future of Financial Regulation*, recommends an overhaul of financial regulation across major capital markets only after a comprehensive review of the factors which contributed to the global financial crisis. The report calls for joint action involving governments, regulators, companies and other stakeholders to ensure lasting improvements which will address both the current problems and anticipate future threats to the integrity of the financial systems and broader economy.

American Institute of Certified Public Accountants (AICPA)

Free Guide on International Financial Reporting Standards

In an increasingly interconnected global economy, all capital market participants have a stake in discussions about the world's accounting standards. In the interest of an informed public discussion, the Center for Audit Quality, which is affiliated with the AICPA, has developed a *Guide to International Financial Reporting Standards*. The *Guide* provides investors, policymakers and other capital market stakeholders with a timely, accessible and objective introduction to the current debate over a single set of high-quality global accounting standards. Download the free guide from:

<http://www.theacaq.org/publications/GuidetoIFRS.pdf>

Mutual Recognition Agreement for Accountants Signed

between U.S. and New Zealand

Representing the AICPA and the National Association of State Boards of Accountancy (NASBA), the U.S. International Qualifications Appraisal Board (IQAB) signed a Mutual Recognition Agreement (MRA) with the New Zealand Institute of Chartered Accountants on August 12. The boards of directors of the AICPA and NASBA had approved signing of the agreement recommended by the IQAB. MRAs, which encourage state accountancy boards to use the special International Qualifications Examination for reciprocity, also currently exist with accountancy institutes in Canada, Mexico, Ireland and Australia.

AICPA Named *Green Plus* Mover by the Institute for Sustainable Development

The AICPA was among nine organizations named a *Green Plus* Mover by the Institute for Sustainable Development for its efforts to become a "green" small business. *Green Plus* Movers recognizes companies taking an important step toward achieving that Institute's sustainability small business certification. "Companies are paying more attention to the longer-term economic, environmental and social impacts of their business decisions," said Barry Melancon, AICPA President and CEO. "The AICPA is proud to be recognized by the Institute for Sustainable Development for our own efforts to become a more green and sustainable organization."

Regulatory Reform Plan Calls for Changes to Accounting Standards

President Barack Obama's regulatory reform proposal calls on accounting-standard setters to clarify and improve consistency in the application of fair value accounting, to improve accounting standards for loan-loss provisioning and to make substantial progress toward development of a single set of high-quality global accounting standards by the end of 2009.

The full version of these and other articles can be found at:

<http://www.aicpa.org/Magazines+and+Newsletters/Weekly+News+Updates/>

Certified General Accountants of Canada (CGA-Canada)

Well-structured Environmental Policies Can Lead to Double Dividend, CGA-Canada Report Concludes

Revenues derived from government environmental policies to reduce carbon emissions should be used to increase efficiency of the tax system. Such a focus could lead to both environmental and economic benefits, according to an Issue in Focus paper released by CGA-Canada.

Carbon Revenue Recycling – Opportunities and Challenges examines the benefits of "recycling" carbon revenues into the economy to offset the economic costs incurred by reducing emissions. Revenues can be generated through either a tax on carbon emissions or a cap and trade system. The concept of recycling those revenues involves applying them to reductions to other forms of taxation. A copy of the paper is available from the CGA-Canada website, www.cga-canada.org.

CGA-Canada and CPA Ireland enter Strategic Partnership

The Institute of Certified Public Accountants in Ireland (CPA Ireland) and CGA-Canada have entered into a mutual recognition agreement (MRA). The MRA establishes a strategic partnership between the two leading accounting organizations and gives members the opportunity to qualify for another

designation. Under the agreement, members in good standing of either body will be considered for membership by the other body. Members wishing to practice public accounting will be required to meet the specific regulatory and legal requirements in each jurisdiction.

Updated Competencies To Keep Certified General Accountants Ahead

CGA-Canada is once again updating its requirements for certification as it continues to position CGAs for financial and strategic leadership roles. With an emphasis on even greater depth, the 2010 CGA Competency Framework is the result of an extensive practice analysis involving 6,000 CGAs, a national task force, and a blue ribbon panel. The ambitious process – which identifies the changing needs of the accounting profession and the marketplace – is repeated every three to five years. The competencies are written as statements that specify the roles, tasks, and behaviours of a professional accountant. The association uses them to assess whether candidates, regardless of their career option, have carried them out to the standard expected by clients, employers, and the public. A copy of the Framework is available from the CGA-Canada website, www.cga-canada.org.

CGA Launches Facebook Site

CGA-Canada and its provincial and territorial affiliates are expanding their social networking presence with the launch of their very own Facebook site. This engaging site provides those interested in the accounting profession a look at the wealth of opportunities that a CGA designation offer.

Institute of Chartered Accountants of England and Wales (ICAEW)

Accountants and Global Requirements on Money Laundering and other Crime

The ICAEW has had guidance included in its Handbook for the

last two decades permitting members to disclose information on defaults and unlawful acts by clients or employing entities, to the proper public authorities, where it is in the public interest for this to be done. The current version of this guidance is available from the Members Handbook at www.icaew.com/membershandbook, Section 7.1.

This is consistent with the profession's commitment to integrity and serving the public interest. Not all accountants agree with this approach, though, and many view with concern the degree to which the UK has imposed Anti-Money Laundering (AML) systems and reporting requirements on members of the profession in the UK, and the huge number of money laundering suspicion reports which are sent to the Financial Intelligence Unit as a result. Accountants in practice in the UK make something of the order of six thousand Suspicious Activity Reports (SARs) a year. The information from SARs is fed into the police intelligence system, where it is used for the detection and prevention of crime far more extensively than was initially envisaged, not just in relation to terrorism, drug trafficking and corruption but burglary, fraud and murder.

The document provides, for most accountants, a very welcome move towards a principles based approach, rather than the traditional approach which seemed more aimed at detailed rule compliance, with little consideration to the benefit in terms of better law enforcement. The complete article is available at <http://www.icaew.com/moneylaundering>

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American Institute of Certified Public Accountants

Regional Forum on IFRS for SMEs

Over 100 accountancy professionals and other stakeholders from Trinidad, Guyana, St. Vincent & the Grenadines, Antigua, Barbados, the British Virgin Islands and St. Kitts came together at the Hilton Trinidad Conference Centre in Port of Spain on November 30 to discuss the requirements of the new IFRS designed for Small and Medium-sized Entities (SMEs).

Hosted by Institute of Chartered Accountants of the Caribbean (ICAC) and the Institute of Chartered Accountants of Trinidad and Tobago (ICATT), the forum facilitated discussions on critical issues relating to the new standard issued by the International Accounting Standards Board (IASB) in July 2009.

In his opening remarks, ICAC President, Harryram Parmesar, stated that SMEs were estimated to represent more than 95 per cent of all enterprises according to data from the Organisation for Economic Co-operation and Development (OECD) and that here in the region, SMEs have been critical in supporting the economic framework of the Caribbean, contributing well over 70% of the GDP of the region.

“Within this context the new IFRS for SMEs will be of significant benefit to businesses in the region as many of the burdens including the cost of compliance with full IFRS have been removed. The standard will also improve transparency and enhance the overall confidence in the accounts of SMEs,” he added.

He highlighted a number of initiatives that the ICAC in collaboration with member institutes had embarked on to support the smooth and effective implementation of IFRS for SMEs in the region.

The opening remarks was followed by a presentation entitled, *IFRS for SMEs: A Practitioner's Perspective*, by Haseeb Mohammed, Partner, PricewaterhouseCoopers.

David Raggay, IFRS Consultant, provided an in-depth presentation on the latest developments in International Accounting and Auditing Standards and an overview of the requirements of the new IFRS for SMEs. Participants were also sensitized to the International Audit Requirements for SMEs and the International Federation of Accountants (IFAC's) Support for SMPs and SMEs by Paul Thompson, Senior Technical Manager for IFAC's Small and Medium Practices Committee. This was followed by a presentation on SMEs and the Capital Market by Wain Iton, General Manager/CEO, Trinidad and Tobago Stock Exchange Ltd.

A major highlight of the forum was an informative and stimu-



Participants listen keenly to Paul Thompson, Senior Technical Manager for IFAC's SMP Committee (above) as he outlines the support provided by IFAC for SMPs and SMEs.



Christopher Ram, Chartered Accountant and Past President of the Institute of Chartered Accountants of Guyana (ICAG) (at left) makes a point to Haseeb Mohammed, Partner, PWC (centre) and David Raggay, IFRS Consultant (right)



Greig Laughlin, President of the T & T Manufacturers Association (at podium) outlines the challenges facing small and medium-sized entities in the region during a panel discussion. Seated from left to right are Angela Lee Loy, immediate Past President, ICAC; Christopher Ram, Managing Partner, Ram & McRae (Chartered Accountants) and Stacy Ann Golding, Partner, KPMG Trinidad and Tobago

lating panel discussion on the challenges/issues facing SMEs in the region and strategies to effectively address these challenges as well as opportunities for growth and increased competitiveness for SMEs in the region. This session was moderated by Angela Lee Loy, immediate Past President, ICAC and ICATT Council Member. The members of the panel were Grieg Laughlin, President, Trinidad and Tobago Manufacturers Association, Christopher Ram, Managing Partner, Ram & McRae (Chartered Accountants) and Stacy Ann Golding, Partner, KPMG Trinidad and Tobago.

Feedback arising from the discussions were presented in a summary at the end of the forum and will be useful in providing guidance in the implementation of the new standards.

ICAC 2010 CONFERENCE - *Save the Date*

The ICAC's 28th Annual Conference of Accountants will be held in Nassau, Bahamas over the period June 24-26, 2010 under the theme, *Responding to change: Re-shaping the accounting profession in the Caribbean*. The conference is being hosted by The Bahamas Institute of Chartered Accountants (BICA).

The wide range of topics to be examined at the 2010 conference include:

- The Profession's Response to the G20 Recommendations
- Deepening Our Outreach - Improving Profitability in the Caribbean Region
- Selling Audit and Financial Services in the Caribbean
- Integrity, Ethics and Dignity - The Consummate Caribbean Professional
- The latest developments in IFRS/ISA Standards

WORLD CONGRESS OF ACCOUNTANTS 2010 MOVES TO THE NEXT GEAR

The 18th World Congress of Accountants (WCOA) will be held jointly by the Malaysia Institute of Accountants (MIA) and the International Federation of Accountants (IFAC) at the Kuala Lumpur Convention Centre from November 8-11, 2010.

The theme of the Congress is, "*Accountants: Sustaining Value Creation*", and 39 topics have been identified, which will be presented by globally renowned speakers and commentators.

Among the thought provoking issues to be debated during the four day Congress are value creation, the accountant's role and sustainable development, Islamic finance and the impact of the G20 initiatives. Other issues include SMPs as trusted business advisors, Enterprise Governance, global developments in corporate reporting, the sharing of experience of oversight boards, the essence of audit quality, shaping the next generation of accountants. Participants will also receive updates and information on the latest developments in financial reporting, XBRL, regulation and compliance, international convergence and the activities of IFAC and its standard-setting boards.

On-line congress registration will begin on 1st January 2010 and an early bird registration fee will be offered to persons who register from 1st January 2010 – 30th June 2010.

The summary of the registration fee are as follows:-

Description	Congress Fees (USD\$)	
	Developed Countries*	Developing Countries*
Early Bird (1 st Jan – 30 th June 2010)	USD\$900	USD\$800
Normal (1 st July – 7 Nov 2010)	USD\$1,000	USD\$900
On Site (8-11 November 2010)	USD\$1,200	USD\$1,000

Institute of Chartered Accountants of the Caribbean

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- 1 Lunch and 4 Coffee Breaks
- Closing Ceremony
- Gala Dinner

The fee for accompany persons will cover:

- Opening Ceremony
- Cultural Performance & Welcome Reception
- Excursion programmes
- Closing Ceremony
- Gala Dinner

For more information, visit www.wcoa2010kualalumpur.com

Accountants and Climate Change



By Brenda Lee Tang, Head of Corporate Development, ACCA Caribbean

Accountants are increasingly under pressure to understand climate change issues and their impact on businesses.

Two degrees centigrade. That's the figure some scientists believe stands in the way of dangerous impacts of climate change and planetary catastrophe. If we can

stabilise our temperatures and prevent a rise of more than 2°C, we can avoid the most dangerous impacts of climate change. If temperatures exceed this figure, climate change will become critical. To have more than a 50% chance of limiting warming to 2°C, carbon dioxide (CO₂) emissions will need to drop to well below 50% of 2000 levels by 2050.

The latest United Nations Inter-governmental Panel on Climate Change (IPCC) findings provide overwhelming evidence that the climate is changing and that the Earth is warming. While there is still limited dispute about whether or not the change is anthropogenic, governments and supranational bodies such as the UN agree that significant evidence suggests the climate is changing because of human activity. Their policies are directed to encouraging behavioural change on the part of the wider community.

Mitigation costs

The Stern Review, commissioned by the UK government in 2005 and prepared by Lord Nicholas Stern, provided the first rigorous economic analysis of the cost to the global economy of action versus inaction on climate change. The costs of climate change were estimated at the equivalent of 5% of global GDP every year for eternity. If a wider range of risks and impacts, for example, environment and health, were accounted for, this would rise to more than 20%. The impacts would not, however, be proportional to wealth – the poor would suffer most.

There is a strong need to break the link between greenhouse gas emission growth and GDP growth. To do this, Stern advised that emissions must peak in the next 10 to 20 years and fall by 1% to 3% annually thereafter. So, the emissions intensity of GDP would need to be about a quarter of today's level by 2050. The cost of doing this averages at about 1% of GDP annually.

A low-carbon economy

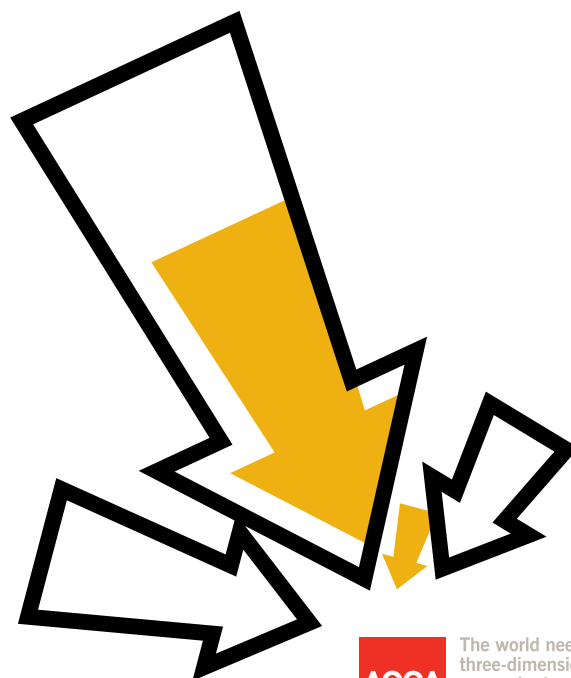
To have any chance of reversing climate change, moving to a low-carbon economy is key. A low-carbon economy – one that relies very little on fossil fuels and energy sources with high greenhouse gas (GHG) emissions – will improve the planet's success rate of tackling the climate predicament. It can be done.

Masdar City in Abu Dhabi is under construction and

will be the world's first zero-carbon, zero-waste city powered entirely by renewable energy sources. Britain has set the pace by setting a legal target of 80% reduction (against 1990 baseline) in carbon emissions by 2050. Norway is planning on being carbon neutral by 2050.

The current economic conditions have provided a significant opportunity for politicians to consider the low-carbon economy as a viable future when designing their fiscal stimulus packages. A group of leading economists, including Lord Stern, has said that governments across the world need to channel some \$400 billion into low-carbon technologies. Slow but encouraging moves have been made, for example, in the US, President Obama has pledged some 14% of his fiscal stimulus package on green energy measures: \$100 billion will be allocated to energy efficiency and

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renewables' programmes, including \$20 billion in tax breaks, \$30 billion for investing in smart grid technologies and \$10bn to spend improving the energy efficiency of public sector buildings. A further \$16 billion has been pledged for use on mass transit and high-speed rail link projects.

Accountants and climate change

In the future, it will be the role of accountants to represent carbon-related actions in financial accounting terms in the annual reporting process. One such consortium of business and environmental organisations trying to achieve this is the Climate Disclosure Standards Board (CDSB). The CDSB has been formed for 'the purpose of jointly advocating a generally accepted framework for corporations to report climate change risks and opportunities, carbon footprints, and carbon reduction strategies and their implications for shareholder value'. ACCA sits on its advisory panel and aims to have the first framework published by late-2009 to coincide with the COP15 Copenhagen conference. In less than a decade, most countries will be included in the round of global carbon-reporting regimes currently being developed by regulators and increasingly demanded by the financial markets.

There are a number of risks facing business associated with climate change, which need to be managed. The two key factors identified by the CDSB are: regulatory risks – which arise from current or expected national or global government policy on climate change and may include emissions limits, energy efficiency standards, carbon taxation, product standards or regulation of GHG emissions. And physical risks – operating in changing physical environments due to altering weather patterns, sea level rises, shifts in species distribution, higher incidence of disease, changes in water availability, changes in temperature, and variation in agricultural yield and growing seasons.

Other risks can include competitive risks (shift in demand for products), operational risks (changes in fuel prices), supply chain risks (health and location of suppliers), and reputational risks (if society perceives a lack of action).

The carbon jigsaw

Increasingly, ACCA members will need to understand what is happening globally in order to report emissions, monitor reductions or increases, and purchase or sell carbon offsets under emerging trading regimes. This includes an understanding of how

the carbon crisis will affect businesses, and whether or not there are investment opportunities to exploit.

ACCA has launched a new web-based initiative to help members get to grips with the impact of climate change issues on business.

The Carbon Jigsaw is a web-based initiative to provide ACCA members with the tools to assess these new climate change risks and opportunities. It aims to keep ACCA members updated on the key issues in the field of climate change and the low-carbon economy. ACCA has worked with several well-established partners in the relevant field: Baker and Mackenzie; Forum for the Future; the Met Office; KPMG and Deloitte, to develop content for the Carbon Jigsaw. The Carbon Jigsaw will cover the following topics:

- The Science of Climate Change: an overview of the basics – what is climate change? What are greenhouse gases? What is causing climate change? What are the impacts of climate change?
- The Stern Review: what it is and its significance (the findings of both Lord Stern's reviews, The Stern Review (2005) and The Global Deal on Climate Change (2008), are summarised)
- Carbon Law: different legislative frameworks and trading regimes, including an overview of the international legal framework and domestic policy frameworks
- The World of Carbon Business: the market mechanisms and opportunities explained, including establishing a price for carbon, carbon footprinting and offsetting
- Carbon in Accounting: what accountants will need to know – how to measure, account for and report carbon, carbon assurance, taxation and financial aspects of accounting for carbon
- The Low-Carbon Future: factors affecting the future – identifying seven factors important to how global society responds to climate change, five scenarios for 2030, implications (with four key recommendations).

For further information visit, www.accaglobal.com/carbonjigsaw

ICAC Receives ACCA Recognition Award

The Institute of Chartered Accountants of the Caribbean (ICAC) received the ACCA (Association of Chartered Certified Accountants) Recognition Award for its support to the ACCA Caribbean office as well as its contribution to the advancement of the accountancy profession in the region.

The award was presented at ACCA's gala event to celebrate the 10th Anniversary of its Caribbean office, on November 2, 2009 at the Hyatt Regency Hotel, Port of Spain. The award was accepted by ICAC President, Harryram Parmesar, who also delivered brief remarks on behalf of ICAC at the event.

More than 350 invitees attended the gala, among them, former ACCA Caribbean Head of Corporate Development and Current Minister of Education, the Honourable Esther Le Gendre, ICAC President, Harry Parmesar; President of the Institute of Chartered Accountants of Barbados, Rueben Blenman; President of the Institute of Chartered Accountants of Trinidad and Tobago, Anthony Pierre, ACCA Approved Employers, members and

regional and local tuition providers.

Twenty-three awards were presented at the gala to honour those who have supported the Caribbean office and for their contribution to the accountancy profession. Among the award recipients were, Angela Lee Loy, Managing Director of Aegis Business Solutions Limited and immediate Past President of ICAC; Richard Young, Managing Director of Scotia Bank Trinidad and Tobago Limited; Bernard Dulal-Whiteway, President and CEO of the Neal and Massy Group and Janet Rezende, ACCA Caribbean staff member since the establishment of the office.

Other persons and institutions recognized at the gala were:

Approved Learning Partners:

- Accountancy Training Centre of Guyana
- Caribbean Consulting Group of St Kitts and Nevis
- Innovative Management and Professional Training of the Cayman Islands

Competency-based Education: Ensuring Knowledge and Performance



By Lynda Carson, FCGA,
Vice-president, Education and
Operational Affairs,
Certified General Accountants
Association of Canada (CGA-Canada)

Identifying new and emerging trends in accounting - and incorporating them into a designation's requirements - has become a more important job than ever before. The global business environment is changing ever more rapidly and is increasingly complex. That makes it even more challenging for professional accounting organizations to stay current.

At CGA-Canada we do so regularly

through a practice analysis, a survey of thousands of our members and employers that tells us what is - and what will be - required of accountants in the marketplace. We enlist the expertise of a national task force, a blue ribbon panel and a highly respected consultant to review and validate the results. Once we've identified what is required, we go to work updating the CGA certification program's competencies.

Competency-based education works in a world of constant change

The International Federation of Accountants defines competence as "the ability to perform the tasks and roles of a professional accountant, whether newly qualified or experienced, to the standards expected by employers and the general public." CGA-Canada defines a competency as "a specific behaviour whereby a professional applies knowledge, skills, and/or professional values in a work environment; the behaviour can be defined, demonstrated, observed, and assessed."

Competency-based education is outcome-based. It emphasizes what a person is able to do after completing a training program

ICAC Receives ACCA Recognition Award cont'd

- Omardeen School of Accountancy
- Prestige Accounting Inc. of Barbados
- Professional School of Accountancy Limited
- School of Business and Computer Science
- Sital College of Tertiary Education
- Students' Accountancy Centre

National Bodies and Joint Examination Scheme (JES) Partners:

- Institute of Chartered Accountants of Barbados
- Institute of Chartered Accountants of Belize
- Institute of Chartered Accountants of Guyana
- Institute of Chartered Accountants of Jamaica
- Institute of Chartered Accountants of Trinidad and Tobago
- Aulous Madden, former ACCA Council Member (Jamaica) and inaugural President of ICAC
- Vishnu Maharaj, former ACCA Council Member (Trinidad)
- John Bain of Bermuda

Helen Brand, Chief Executive of ACCA, who played a pivotal role in the drive to establish ACCA's presence in the Caribbean, was the featured speaker.

rather than focusing on the process used for training. CGA-Canada adopted the approach in the 1980s and was among the world's leaders in applying competency-based education to accountancy. One of the greatest strengths of competency-based education is that it is well-suited to a world of constant change. Program requirements can be updated relatively quickly in response to the shifting wants of the workplace.

Designations that regularly update their competencies are always thinking ahead

Why is this so critical? Because business depends on accountants for much more than reliable financial information. It expects them to provide the analysis, insight, ethical judgement and leadership needed to make important financial and business decisions. By updating their requirements, accounting associations can ensure that their members have what it takes to be highly valued professionals.

The CGA Competency Framework (available at www.cga.org/canada) outlines 130 professional competencies - grouped under leadership, professionalism, and professional knowledge - that CGA candidates must demonstrate to qualify for the designation. The association uses the Framework to develop and upgrade its education, examination, experience and professional development requirements. It is also a tremendous resource for:

- Employers and the public, so that they can better gauge the value of CGAs as financial professionals and business leaders;
- Students, so that they can understand the knowledge, skills and proficiency levels that they must demonstrate to become a CGA, and to help them to assess their career development;
- The academic community, so that it can help to prepare students to enter and successfully complete the CGA program.

Accountancy bodies that regularly update their competencies are always thinking ahead. It keeps them fresh and connected, and ensures that their members are both relevant and in demand.

"When ACCA opened its Caribbean office, the global economic landscape was very different from that of today. But in 2009, the fundamental challenge for accounting professionals remains the same. The accountant's role - whether in practice, in the corporate sector or in the public and not-for-profit sector - is to provide the skills and expertise organisations need to thrive. And, in the current economic environment, we are seeing a fresh appreciation of the distinct value finance professionals bring to business," Ms. Brand stated.

"In the wake of the financial markets crisis, issues which accountants are supremely well-placed to tackle have risen to the top of the business agenda. It is being widely acknowledged that accountants are in a unique position to aid business by driving down costs and identifying drivers of value and profitability. Accountants are also instrumental in obtaining access to finance and strengthening the balance sheet. And the professional judgment of the accountant, coupled with the drive of the profession to embed ethics across business, is vital as businesses steer their way through challenging conditions," she added.

ICAC President, Harryram Parmesar (left) receives the ACCA Recognition Award presented to ICAC from Helen Brand, ACCA Chief Executive (at right)



The Bahamas Institute of Chartered Accountants

Annual General Meeting

The Bahamas Institute of Chartered Accountants (BICA) held its 18th Annual General Meeting on Tuesday, July 7, 2009, at the British Colonial Hilton Hotel, Bay Street, Nassau. Elected to Council for the period 2009-2010 are:

Reece D. Chipman	- President
Lambert Longley	- 1 st Vice President
Pedro Delaney	- 2 nd Vice President
Stacia G. Y. Major	- Treasurer
Basil Ingraham	- Assistant Treasurer
Pamela Miller	- Secretary
Zelma Wilson	- Assistant Secretary
K. Peter Turnquest	- Freeport Representative
Daniel H. Ferguson	- Past President
Ronald Knowles	
Talia Sweeting	
Myra Lundy-Mortimer	
Julian Rolle	
Dominic Gomez	
Sheldon Cartwright	

The implementation of the regional practice monitoring programme and the hosting of the ICAC Annual Conference

scheduled to be held in June 2010 will be among the areas of focus for the new administration. The newly-elected Council will also concentrate on building better communication among members.

An induction ceremony for the members of Council was held on Tuesday, July 14th at the British Colonial Hilton Hotel. Mr. Basil Sands and Mr. Ronald Atkinson, two founding fathers of BICA, spoke at the event.

Public Forum

On Wednesday, September 2nd, BICA held an open forum with the executive staff of the Securities Commission of The Bahamas. Discussions focused on the sections of the proposed Securities Industry Bill 2009 that will impact the accounting profession. BICA provided the Commission with a working paper arising from the discussion.

Continuing Professional Development

A seminar on Value-Added Tax was held jointly by BICA and ACCA on October 14th. The presenter was Mrs. Ethlyn Norton-Coke, Legal Counsel and Compliance Officer, University of Technology, Jamaica.

Institute of Chartered Accountants of Barbados

Practice Monitoring

The Institute of Chartered Accountants of Barbados (ICAB) has been providing technical support to assist members in preparing for practice monitoring. The Institute hosted a two-day workshop in August at which audit managers and partners were provided with practical working sessions on how to plan, execute and report on an audit in order to meet modern standards and the criteria for the ACCA audit practice review process. The workshop facilitator was Mr. Michael Scott, a former ACCA Reviewer.

The Institute also hosted a one-day seminar on International Auditing Standards updates on September 18. The seminar brought auditors up-to-date on the new, more stringent, rules for conducting audits as well as good governance and ethical issues for audit firms.

At the end of October 2009, ten audit monitoring reports were received from ACCA's Senior Practice Reviewer as well as responses from firms in the cases where reports were submitted. Additional monitoring visits have been scheduled for the remainder of the year.

IFRS for SMEs

ICAB welcomed the release by the IASB of the new IFRS for SMEs on July 9, 2009. The Institute is satisfied that this standard which was designed to meet the reporting needs of entities that do not have public accountability and entities that publish general purpose financial statements for external users will be of benefit to companies in Barbados. Accordingly, ICAB formally adopted the standard on September 8.

On November 2, ICAB hosted a CPD Seminar on IFRS for SMEs

with Mr. Paul Pacter, Director of Standards for SMEs at the IASB as the main presenter. Mr. Pacter is the head of the technical group which developed the standard and ICAB was pleased to provide members with the opportunity to interact with him and to clarify any issues relating to the implementation of the standard. The Institute also arranged a breakfast briefing session where Mr. Pacter also spoke with representatives of financial institutions, regulators and entrepreneurs.

ICAB/ACCA CAT Joint Scheme

In July, ICAB and ACCA signed a Joint Scheme contract for the Certified Accounting Technician programme.

Improved Services to Members

The first issue of ICAB's electronic newsletter (**ICAB eNews**) was published on August 13, 2009. ICAB eNews aims to improve communication with ICAB members and will be published every two months.

ICAB launched its new iMIS database at the beginning of October. The iMIS system is specifically designed for information management in member associations. It is used by 3,500 organizations worldwide. The new information technology platform allows members access to services online such as updating their personal and professional records at ICAB, registering for CPD Seminars and paying annual dues by credit card. It will also allow ICAB to manage and maintain accurate and up-to-date member records, and monitor compliance of members with CPD requirements, among other things.

Policy Advocacy

During the period under review, ICAB joined with the Barbados

Association of Professional Engineers and the Barbados Institute of Architects through the Barbados Coalition for Service Industries and the Private Sector Trade Team to make an input on behalf of the accounting profession on Mutual Recognition Agreements with Professional Associations in Europe under the EPA.

ICAB also made submissions to the Government on proposed changes to the Mutual Funds Act. In addition, ICAB is presently developing policy proposals (to be submitted to Government) for a Limited Liability Partnership Act to provide a legal structure for firms to practice accounting whilst limiting the liability of the firms and partners. Models from other jurisdictions are being examined and other professions affected by liability issues have been invited to participate in the process.

The Institute also met with the Inland Revenue Department and the Customs & Excise Department to discuss issues of common concern.

Continuing Professional Development

The following CPD activities were held by the Institute over the period July 1- October 31, 2009:

- A joint ICAB/BIBA *Corporate Governance and Compliance* seminar was held on July 9th at the Hilton Hotel. The presenter was Mr. Peter Thurton, a Canadian, financial services regulatory and compliance lawyer. The Governor of the Central Bank, Dr. Marion Williams, was the luncheon speaker.
- A seminar entitled, *Tools & Techniques in Fraud Prevention, Detection, and Investigation*, was held on July 28 at the Lloyd

Erskine Sandiford Centre.

- On August 17 & 18, a workshop entitled, *Preparing for Practice Monitoring*, was held at the Accra Hotel. The workshop facilitator was Mr. Michael Scott, a former ACCA Practice Reviewer.
- On August 28, the Hilton Hotel was the venue for a seminar entitled, *An Update on International Financial Services in Barbados in a Changing Environment*. The Hon. George Hutson, Minister of International Transport and International Business opened the seminar.
- A joint ICAB/ACCA seminar on International Financial Reporting Standards (IFRS) was held on September 14 at the Lloyd Erskine Sandiford Centre. The presenter was Mr. Nagin Lad BA, MSc, MAAT, FCCA. On the following day, Mr. Nagin Lad was also the presenter at the seminar on International Auditing Standards.
- On October 21st, a joint ICAB/CGA seminar was held on the topic, *Estimating Revenues and Expenditures* at the Hilton Hotel.
- On October 28th, the Lloyd Erskine Sandiford Centre was the venue for a *Tax Matters* seminar. The presenters were Glen Laderceur of KPMG, Francoise Hendy – Director of International Business, Anthony Gittens – VAT Division, Anderson Padmore – Inland Revenue Department, and Sabina Walcott-Denny – Commissioner of Inland Revenue.

Institute of Chartered Accountants of Belize

The Institute hosted a special meeting of its Council and membership with the President of the Institute of Chartered Accountants of the Caribbean (ICAC), Harryram Parmesar, on October 8 at the Biltmore Plaza Hotel, Belize City, to discuss various issues including plans for

the implementation of the regional practice monitoring programme in Belize. Council has commenced discussions on plans to implement the practice monitoring scheme.

Institute of Chartered Accountants of the Eastern Caribbean

ICAEC Council Meeting

The Antigua and Barbuda branch hosted the ICAEC Council meeting on September 12th 2009 at which a decision was taken to adopt IFRS for SMEs together with full IFRS. CPD requirements of 40 hours for all members were also approved at the meeting. It was also agreed that Accountants Week will be implemented in all ICAEC territories in 2010 and that the format would be based on the Antigua model.

ICAEC- Antigua and Barbuda branch

In July 2009, the Antigua and Barbuda branch elected new members and chairperson for various committees. These committees have begun working on an action plan for 2009/2010.

Antigua held its third annual Accountants' Week over the period September 27-October 3, under the theme, *Accountants – The gatekeepers of our economy and committed to keeping businesses on track in these turbulent times*. As part of the week of activities, a church service was held on Sunday, September 27 and media appearances to bring focus to the Institute and the week of activities took place on Monday, September 28th. A presentation to the 2009 scholarship winner was done during the television appearance.

The Institute joined with ACCA to host a seminar

on Forensic Accounting on Tuesday, September 29th, at the Grand Royal Antigua Resort. On Wednesday, September 30th and Thursday, October 1st, members of the Institute visited various secondary schools and interacted with fourth and fifth form students considering accounting as a career choice.

On Friday, October 2nd, members met after work at Millers by the Sea for cocktails and an evening of socializing. On the following day, members joined representatives from the National Development Foundation and the Community First Credit Union to offer business, tax planning and other financial advice to small business owners.

The Institute hosted a CPD seminar on IFRS for SMEs at the Grand Royal Antigua Resort on October 15, 2009. Presenter was David Raggay of IFRS Consultants.

ICAEC- St. Lucia branch

On October 27, ICAEC–St. Lucia branch organized a one day CPD seminar on IFRS for its members. The focus of the seminar was the update to IFRS that became effective in January 2009, as well as the new IFRS for SMEs that was released by the IASB in July 2009. The seminar was facilitated by David Raggay of IFRS consultants in Trinidad and Tobago and Andrea St. Rose of Andrea St. Rose & Associates in St. Lucia.



Second Year UWI Accounting student and winner of the ICAEC-Antigua and Barbuda scholarship award, Mario Blackman, receiving his cheque from the Institute's Chairman, Erwin Southwell.

During the seminar, members were updated on plans for a practice monitoring workshop to be facilitated by Sha Ali Khan, Director, Practice Monitoring Standards at ACCA on November 16, 2009.

The seminar was well attended by members from St. Lucia as well participants from the neighboring islands of St. Vincent and Antigua. This seminar brings to three, the number of CPD events organized by the Institute since the start of the year.

Institute of Chartered Accountants of Guyana

Continuing Professional Development

In August 2009, the Institute of Chartered Accountants of Guyana hosted a seminar on the IASB's IFRS Improvements Project. Presenters were Khalil Alli, President of ICAG and Partner, Jack A. Alli, Sons & Co. and Rakesh Latchana, Partner of Ram and McRae (Chartered Accountants). Members were informed about recent amendments to IFRS as issued in the two recent Improvements Standards.

In September 2009, ICAG held a seminar on the IFRS for Small and Medium-sized Entities issued by the IASB in July 2009. The presenters were Vishwamint Ramnarine, Partner, Barcelloas Naraine and Co. and Ramesh Persaud, Financial Controller, Institute of Private Enterprise Development. The session was well-attended and concluded with a general recommendation from the audience that ICAG should adopt the new standard. The Council's Technical Sub-

committee has initiated steps towards adoption.

A presentation by Paul Geer, Head of the Financial Investigations Unit of Guyana on the recently legislated Anti Money Laundering and Countering the Financing of Terrorism Act was organised by ICAG in November. The presentation was well-attended by ICAG members, bankers and other representatives from the financial services sector.

Joint Graduation Ceremony

In September, ICAG in partnership with the ACCA hosted a graduation ceremony for graduates of the CAT and ACCA examinations. The feature address was delivered by Chandradat Chintamani, President of the Georgetown Chamber of Commerce. Graduates were also addressed by ICAC President, Harryram Parmesar and Brenda Lee Tang, Head of Corporate Development, ACCA.

Institute of Chartered Accountants of Jamaica

Annual General Meeting

The Institute held its Annual General Meeting on Wednesday, July 29, at the Knutsford Court Hotel at which Archibald Campbell was elected President and Vintoria Bernard elected Vice-President. Prunella Vassell, immediate Past President, remains a member of Council. Other members of Council are:

- Patrick Chin – Treasurer
- Ethlyn Norton-Coke – Honorary Secretary
- Linroy Marshall
- Bruce Scott
- Dennis Brown
- Dennis Chung
- Audley Gordon
- Ann-Marie Rhoden
- Martin Gooden
- L. Garth Kiddoe

The Institute's new-look website was launched at the AGM. This website was developed as a part of the ICAJ/IDB project, which ended in 2008. The website features e-commerce capabilities, a student social network, relevant news and information as well as a chat room.

ICAJ/ACCA Joint Rap Session

The Institute hosted a rap session for students in collaboration with ACCA on Saturday, July 11 at the Wexford Hotel in Montego Bay. The event was well supported by more than 90 registered students of the CAT and ACCA professional programme.

Certified Accounting Technician Graduation Ceremony

On August 29, ICAJ and ACCA hosted the 2009 Certified Accounting Technician (CAT) Graduation Ceremony at the Jamaica Pegasus Hotel in honour of 86 students who were successful in the June and December 2008 sittings of the examination.

Paula Marcelle-Irish, ACCA Caribbean's Manager for the northern region, who gave the opening address, praised the graduates and urged them to undertake the ICAJ/ACCA Joint Professional

Programme. The keynote speaker, Reverend Dr. Stevenson Samuels, challenged the graduates to maintain high standards in their future undertakings.



Graduates of the June and December 2008 diets of the CAT programme are joined by Archibald Campbell, ICAJ President (standing left); Martin Gooden, Chairman, ICAJ's Student Affairs Committee (standing right) and Paula Marcelle-Irish, ACCA's Manager, northern Caribbean (standing right)

Manager – northern Caribbean.

Continuing Professional Development Seminars

To help Accountants answer some of the challenges presented by the existing global economic climate a CPD seminar entitled, *Risk Management in Turbulent Times*, was held on July 25. Leon Anderson, Senior Director of Insurance at the Financial Services Commission (FSC) delivered the keynote address on behalf of Rohan Barnett, Executive Director of the FSC.

The team of presenters comprised Sushil Jain, Financial Analyst; Nigel Chambers, KPMG Partner and Damion Brown, Market Risk Manager, JMMB. The topics covered were, *Managing Risk Under Volatile Market Conditions*; *Managing Business and Operational Risk* and *Risks in the Financial Services Industry*.

A joint ICAJ/ACCA CPD seminar entitled, *Corporate Social Responsibility & Key IFRS Changes*, was held on October 31 at the Jamaica Conference Centre. Brigitte Levy, CSR Consultant

presented on the topic, *Corporate Social Responsibility* while Winston Robinson, Partner, Deloitte, presented on IAS 1: Presentation of Financial Statements. Emru Williams, Senior Manager at PricewaterhouseCoopers presented on IFRIC 13

Customer Loyalty Programmes; and Ravi Rambarran, President & Chief Executive Officer of Sagicor International presented on Fair Value Measurement.

Institute of Chartered Accountants of Trinidad and Tobago

Increased Membership

ICATT is pleased to report that its membership base has surpassed the 900 mark.

IFRS for SMEs Forum

During the period under review, planning for the one-day forum on IFRS for SMEs scheduled for November 30th 2009 at the Hilton Trinidad Conference Centre was completed in collaboration with the ICAC. Both local and regional participants are expected to attend.

Accountants' Week 2009

ICATT celebrated Accountants' Week 2009 from October 19th to 23rd under the theme, *Economic Recovery: A New Paradigm in Leadership*.

The week opened with the traditional breakfast meeting that featured a panel discussion on the week's theme led by Senator, the Honourable Mariano Browne, who spoke of Government's efforts to draft legislation that would aid in stimulating the local economy. Mr. Carl Hiralal, Inspector of Financial Institutions, Central Bank of Trinidad and Tobago; Ms. Angella Persad, President, Trinidad and Tobago Chamber of Industry and Commerce; Mr. Steve Bideshi, Managing Director/ Group CEO, C L Financial Limited and Mr. Colin Soo Ping Chow, Chairman, Ernst & Young Caribbean also provided perspectives on varying aspect of the industry.



Participants enjoy an entertainment piece at the Members' Cocktail reception marking the close of Accountants' Week 2009

This year the Institute hosted 12 events during the week, the

largest ever. This included a motivational event for accounting students, where they were informed about the requirements to succeed in the profession as well as tips on personal image as part of the Institute's thrust to strengthen its support and services to students. The week also featured presentations from two international speakers, soft skills seminars on topics such as Executive Coaching, Managing Talent and Change Leadership and technical workshops on Taxation and IFRS.

Accountants' Week 2009 ended with a new-member recognition ceremony and networking event at Angostura House in Port of Spain with a special presentation by Paul Keens-Douglas, motivational speaker and entertainer.

GLOBAL NEWS



GLOBAL ACCOUNTANCY UPDATE

Third Annual CReCER Conference Addresses Crisis, SMEs and Public Sector Reporting

The 3rd Annual CReCER Conference took place on September 23-25 in São Paulo, Brazil. The event, hosted by IFAC, the World Bank, and the Inter-American Development Bank, along with the support of the six largest global accounting networks, was attended by over 1,000 individuals.

The conference is designed to increase awareness of the critical importance of sound financial reporting and auditing for the development of a well-functioning market economy and of an efficient public sector. This year, the conference provided specific perspectives on the global financial crisis.

Speaking at the conference, IFAC President Robert Bunting advocated a leadership role for the accounting profession in helping to lead the world out of the financial crisis. He emphasized the importance of supporting small- and medium-sized businesses and the accountancy firms that serve them in recovery from the recession. In addition, he called for governments to adhere to the same high standards of financial reporting as their private sector counterparts.

For more on the conference, please visit the CReCER website:

www.creeramericas.org/home.

IFAC/The Banker Survey Examines SME Lending, Critical Role of Accountants

IFAC and *The Banker* magazine, part of the *Financial Times* group, have released the results of a global survey of banks on lending to small- and medium-sized entities (SMEs). The results showed that some SMEs may have access to more credit down the road, but will have to pass more rigorous tests to demonstrate their creditworthiness.

The results of the survey, which received responses from over 500 bankers over a six-week period, also confirmed that accountants play a critical role in providing information that influences lender decision making. Bankers expect SMEs to provide more comprehensive information in their loan applications. Survey respondents said that they will increasingly look at cash-flow information, collateral, and customer history with the bank when considering loan applications. Financial statements, key risk indicators, and industry trends are also among the key sets of information banks focus upon when making loan decisions.

The survey results, including three articles by IFAC leadership that highlight IFAC's support for SMEs and IFAC's belief in the

importance of SMEs in contributing to global economic recovery and growth, are printed as a special supplement in the October issue of *The Banker*. The articles and survey results can also be accessed from the IFAC website:

www.ifac.org/financial-crisis/smp-sme-resources.php.

Train the Trainer Initiative for IFRS for SMEs

To support the implementation of the IFRS for SMEs issued on July 9 by the International Accounting Standards Board (IASB), the IASC Foundation (IASCF) is developing comprehensive training material. The training material will be published in a number of languages. The English language material will be downloadable free of charge from their website in late 2009.

The Foundation is also working with international development agencies to provide instructors for regional workshops to 'train the trainers' in the use of the training material, particularly within developing and emerging economies.

For more information visit

<http://www.iasb.org/Education/Education.htm>

IAASB Releases New Tools to Support Clarity ISA Adoption and Implementation

To promote awareness and understanding of the clarified International Standards on Auditing (ISAs), which were completed in March 2009, the International Auditing and Assurance Standards Board (IAASB) has released a series of modules to support adoption and implementation efforts.

Each "ISA Module" consists of a brief video presentation, a set of slides, and supporting notes that explain the key principles of, and major changes in, individual ISAs. The support modules include the implications for audits of small- and medium-sized entities. The ISA Modules are available to download free of charge from the IAASB Clarity Center on the IFAC website: <http://web.ifac.org/clarity-center/support-and-guidance>.

Adoption and Implementation Materials for Revised Ethics Code Now Available

The International Ethics Standards Board for Accountants (IESBA) encourages member bodies and firms to develop plans for implementing the recently revised *Code of Ethics for Professional Accountants* (the Code). The revisions include strengthening the Code's independence requirements and using the word "shall" as a drafting convention to clarify requirements. The revised Code will take effect January 1, 2011.

The IESBA has developed the following resources to support adoption and implementation:

- **Slide Presentations:** High level and in-depth that can be used to explain the content of the Code
- **Overview of Independence Requirements:** A short document providing an overview of the independence requirements contained in Section 290 of the Code relating to rotation, cooling off period, provision of non-assurance services, fees, and compensation and evaluation policies
- **Comparisons:** A high level and more detailed comparison that will help people understand the differences between the July 2009 Code and the previous Code
- **Template:** A comparison template containing the complete text of the Code, which can assist individuals who want to understand how the provisions in their jurisdiction match up to the Code

To access these materials, as well as the revised Code, visit the Resources section of the Ethics homepage: www.ifac.org/Ethics.

PAIB Launches Projects on Governance, Risk, and International Control

The Professional Accountants in Business (PAIB) Committee has launched two projects directed at improving guidance in the areas of governance, risk, and internal control.

The first initiative will involve developing a reconciliation of the PAIB Committee's International Good Practice Guidance (IGPG) principles with the *OECD Principles of Corporate Governance*. This project follows IFAC's recent publication of the IGPG, *Evaluating and Improving Governance in Organizations*, and IFAC's July submission to the G-20, which identifies corporate governance as a priority for reform.

IFAC's IGPG on governance complements the Organization for Economic Co-operation and Development (OECD) principles as its main purpose is to support PAIBs and to help their organizations evaluate and further improve their governance structures and systems. The IFAC principles help restore the balance between compliance and performance in organizations.

The PAIB Committee is also developing the IGPG, *Evaluating and Improving Internal Control in Organizations*. The goal will be to provide practical guidance that will focus on common pitfalls in the way current internal control systems are being deployed and what should be done to avoid these pitfalls.

IASB publishes proposals on the impairment of financial assets

The International Accounting Standards Board (IASB) has published for public comment an exposure draft on the amortised cost measurement and impairment of financial instruments. The proposals form the second part of a three-part project to replace IAS 39 *Financial Instruments: Recognition and Measurement* with a new standard, to be known as IFRS 9 *Financial Instruments*. Proposals on the classification and measurement of financial instruments were published in July, with a final standard expected shortly, while proposals on hedge accounting continue to be developed.

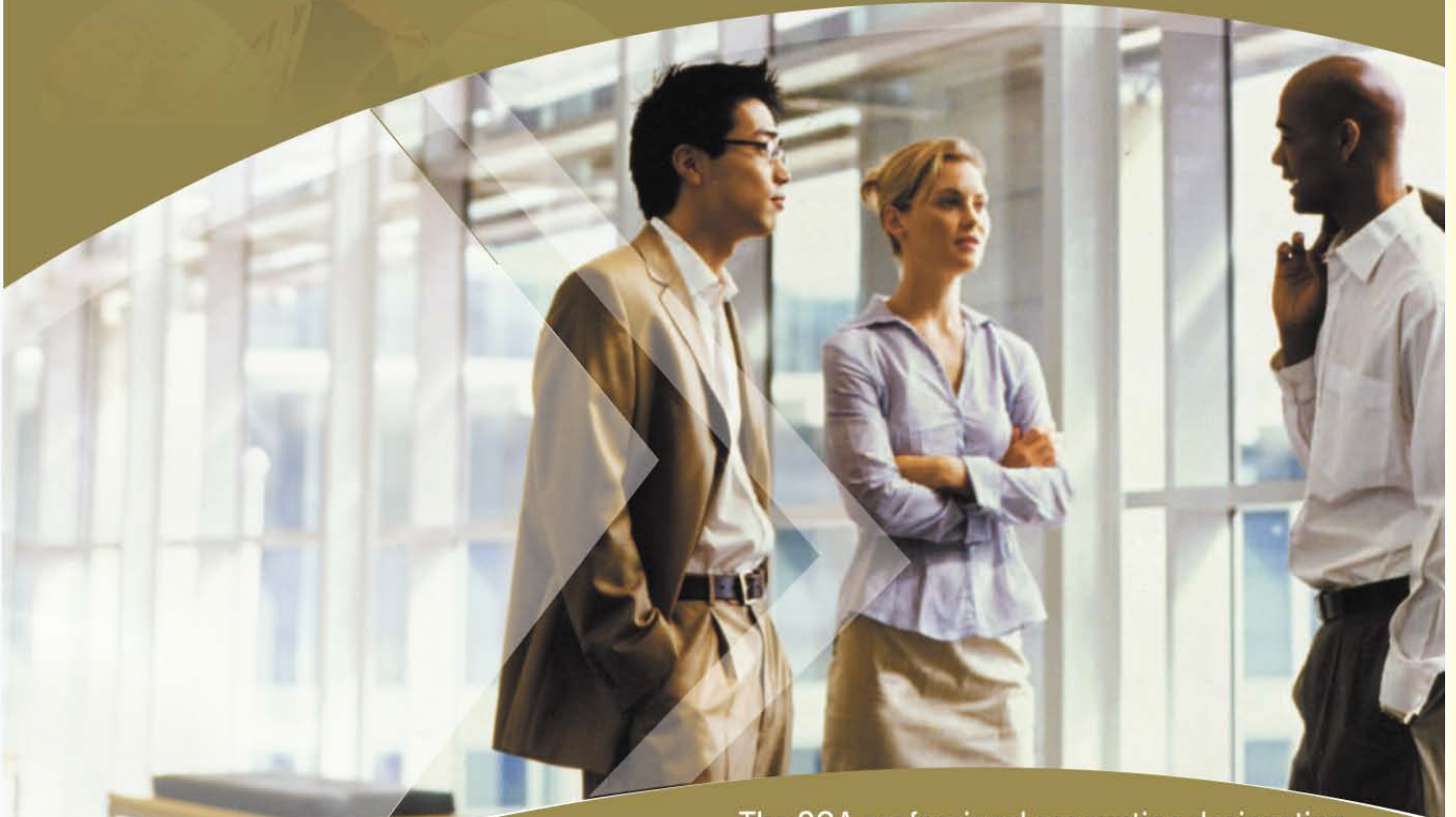
Both International Financial Reporting Standards (IFRSs) and US generally accepted accounting principles (GAAP) currently use an incurred loss model for the impairment of financial assets. An incurred loss model assumes that all loans will be repaid until evidence to the contrary (known as a loss or trigger event) is identified. Only at that point is the impaired loan (or portfolio of loans) written down to a lower value. The global financial crisis has led to criticism of the incurred loss model for presenting an initial, over-optimistic assessment of no credit losses, only to be followed by a large adjustment once a trigger event occurs.

Responding to requests by the G20 leaders and others, in June 2009 the IASB published a Request for Information on the practicalities of moving to an expected loss model. The responses have been taken into account by the IASB in developing the exposure draft.

The proposals in the exposure draft *Financial Instruments: Amortised Cost and Impairment* are open for comment until 30 June 2010. After considering comments received on the exposure draft, the IASB plans to issue an IFRS in 2010 that would become mandatory about three years later with early application permitted. The exposure draft is available on the 'Open for Comment' section on the IASB website.



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