



# **DRAFT MINUTES OF**

**THE 51<sup>st</sup> ANNUAL GENERAL MEETING**

**OF THE MEMBERS OF**

**THE NORTHERN REGION OF**

**THE INSTITUTE OF CHARTERED ACCOUNTANTS**

**OF PAKISTAN**

**HELD ON OCTOBER 12, 2012**

**AT 7:00 P.M AT CRYSTAL HALL, ROYALTON HOTEL,  
WEST CANAL ROAD, FAISALABAD**



The 51<sup>st</sup> annual general meeting (AGM) of the members of the Northern Region of the Institute of Chartered Accountants of Pakistan (ICAP) was held on October 12, 2012 at 7.00 p.m at Crystal hall, Royalton hotel, West Canal Road, Faisalabad.

The quorum of the meeting being present, the Chairman Mr. Muhammad Awais on behalf of the Northern Regional Committee (NRC) welcomed the members and declared the meeting to be in order to proceed with the agenda. The proceedings of the meetings commenced with recitation from the Holy Quran.

The meeting was attended by the members as per list attached.

**1. Confirmation of the minutes of the 50<sup>th</sup> Annual General Meeting.**

The minutes of the 50<sup>th</sup> AGM held on June 18, 2012 at ICAP House, Peshawar were circulated to the members for comments on July 04, 2012. This was in continuation of the adjourned AGM previously held on December 27, 2011 at ICAP House, Peshawar. The Chairman invited the members for their observations. There were no comments on the minutes of the last AGM. The minutes were adopted as proposed by Mr. Ahmed Jabbar and seconded by Mr. Liaqat Ali Panwar.

**2. Consideration and adoption of Report of the Northern Regional Committee (NRC) & audited financial statement for the year ended June 30, 2012.**

The Chairman gave a brief overview of the Committee's Report and highlighted the various activities of the year under review with special focus on CPD activities. He also briefed the house on the financial statements of the Committee for the year ended June 30, 2012.

The Chairman then invited members to comment on the Committee's report and the audited Financial Statements for the year ended June 30, 2012.

There were no observations by the members on the annual report of the NRC for the year ended June 30, 2012. The annual report including the Committee's report along with the auditors' report and the audited financial statements were adopted by the members as proposed by Mr. Mohammad Suleman Zahid and seconded by Mr. Muhammad Zeeshan Abid.

**3. Appointment of Auditor for the year ending June 30, 2013.**



The Chairman informed the house that the committee has recommended the existing auditor Mr. Shaukat Amin Shah, being eligible for re-appointment, to be appointed as auditor for the year 2012-13.

The house unanimously approved the appointment of Mr. Shaukat Amin Shah, FCA, on remuneration to be mutually agreed as proposed by Mr. Mohammad Islam Munawar and seconded by Mr. Muhammad Yameen.

#### **4. Any other business with the permission of Chair.**

Mr. Muhammad Islam Munawar expressed concerns on the selection criteria of the chief guest for the Gold Medal ceremony organized by the ICAP. He suggested that highly respected Chartered Accountants who served in the past high public position at Federal or Provincial level or any person known for his education capabilities, professional competence or holding public office with high moral standards should be requested to be the chief guest. ICAP being one of the Institutes of professional studies which has no match to the integrity, high standard of education and world over recognition should not invite people who are facing numerous court cases on account of moral turpitude and financial bungling.

Mr. Muhammad Islam Munawar further said that he has written a letter to the President ICAP but it has not been responded. Mr. Muhammad Zeeshan Abid added that Council may disagree with these suggestions and have reasons for inviting someone but we condemn this on the part of Council which is supposed to respond to member's letters/queries and the letter of such a senior member who are concerned about the prestige and integrity of the Institute should not go un-attended.

Mr. M. A. Latif responded that your point is valid & we understand the feeling & sentiments of the members and assured the house that NRC will suggest to the President ICAP and Council to devise a standard criteria for future events of ICAP.

The Chairman said that this matter does not relate to NRC but as this matter is raised in NRC AGM so we will request President ICAP to respond to the letter of the honorable member and such type of invitation should be discouraged in future which hurt the sentiments of members. The Council and NRC are basically representative of members and we should take care of the members' feelings.

Mr. Muhammad Zeeshan Abid inquired about the status of ICAP Circular dated July 4, 2012 issued to practicing members under the heading of "Engaging a person as trainee of other accounting bodies" wherein all the chartered accountants firms as well as



members are advised to refrain from engaging trainees of other accounting bodies, particularly trainees of foreign institutes of Chartered Accountants or any other accounting body of similar nature. He said that there is still some confusion and it is mentioned in the Association of Chartered Certified Accountants (ACCA) website that they are negotiating with ICAP and the Circular will be withdrawn by the ICAP shortly

The chairman responded that there is no confusion on the circular dated July 04, 2012 and ICAP has very clearly directed all practicing firms to recruit and train only CA students and to refrain from engaging trainee students of any other accounting body. The matter is currently pending before Competition Commission of Pakistan (CCP) and the ICAP is not in negotiation with ACCA and will contest the issue before CCP.

Mr. Mohammad Suleman Zahid inquired that what was the background of this issue. Mr. M. A. Latif replied that it is now admitted by the past president ICAP and it is also mentioned in the draft minutes 51<sup>st</sup> AGM of the ICAP and read aloud the following para of the minutes of the 51<sup>st</sup> AGM of ICAP:

*"He remembered the decision in 1998 which relates to giving ACCA full exemption. In 1994, a public seminar was conducted by the council in Karachi and Lahore, as to whether we should give exemptions to CPA and the attempt to grant recognition to CPA was miserably failed. Exemptions were given to CIMA and ACCA due to conflict of interest of some Council members. The notice of July 4 issued by the Institute has been sent after legal vetting of a lawyer who remained the Attorney General of Pakistan and in the past all lawyers have been suggesting same. That lawyer advised ICAP in 2004 that ACCA should be banned and suits should be filed in the courts having jurisdiction. However, due to conflict of interest, it was never happened. The Council in view of this stopped itself from taking any step on this issue. We are talking about section 22 of the CA Ordinance, 1961, which in India is Section 24 under which they drag ACCA out from their country. However, on the other hand we very knowingly and happily destroying the future of our children."*

Mr. M. A. Latif continued that with regard to ACCA the council took the decision unilaterally without taking the members onboard just to give an easy entry to the children of some Council member. Now we are at the receiving end of that decision and have realized the mistake after approximately more than a decade or so. The current Council is reviewing the decision taken at that time and is also reviewing its legality. Although the ICAP has now withdrawn the blanket exemption but now ACCA become member of ICEW after getting some exemptions and ultimately become members of ICAP after passing two or three papers of final level. The ultimate objective of ACCA is to get practicing license in Pakistan which was also denied to them even in Bangladesh.



He further said that the matter is discussed in much detail in ICAP 51<sup>st</sup> AGM and requested the members to read the minutes of the 51<sup>st</sup> AGM of the ICAP.

Mr. Mohammad Suleman Zahid said the ICAP has restricted the CA firms from engaging trainee students of other accounting bodies but they can be hired as employee & can get the required training and experience. The circular of July 04, 2012 has no impact as the foreign accounting bodies allow their students to get their training whether as employee or as trainee and both are acceptable to the foreign accounting body.

Mr. Muhammad Zeeshan Abid added that now students of such foreign institutes will mark their attendance in employee register instead of trainee students register and will get the experience certificate at the end which suffice the requirement of their accounting body and there is no impact on them.

Mr. Muhammad Awais replied that ICAP has played its role and now its members' responsibility to implement its decision in its true spirit and refrain from engaging students of foreign accounting bodies. He further said that such restriction will have positive impact on our Institute.

Mr. Shahbaz Raza appreciated the ICAP circular of July 4, 2012 and said that it would definitely benefit the profession. He said that now ICAP should stand by its decision and vigorously contest the issue with CCP. He suggested that ACCA should be completely banned in Pakistan. He further said that ICAP cannot conduct its exams in England & similarly we should also stop illegal operation of the Institute of Chartered Accountants of England & Wales (ICAEW) in Pakistan. ICAEW operations are similar to East India Company and should be immediately banned in Pakistan.

The Chairman replied that ICAP is looking into the matter and the council will take appropriate legal action & as this matter does not fall in NRC domain, we will share the grievances & suggestions of the members with the ICAP.

Mr. Muhammad Irfan suggested that ICAP should also encourage its young members who want to come into practice and should not create hurdle for them. He said that it is not possible for him to register his firm as training organization (TO) because he don't have required number external audit of limited liability companies. He said external audits are not the only area where CA students are trained and all practicing firms provide tax & other advisory services and accordingly their students get diversified training. If external audit is the only pre-requisite for registration of TO then ICAP should restrict all CA firms not to provide other services.



Mr. Muhammad Awais replied that when you get your organization registered as a TO, it implies that you will induct & train students. In this situation, you must have sufficient number of external audits to train the students and this policy is applicable since inception of ICAP to protect the interest of students & provide them the requisite professional expertise & training. On the further insistence by the concerned member, the Chairman expressed that this matter can only be decided by the Council, so we will forward your concern to the Council.

The members also requested NRC to arrange a family get-together as was held for members of Lahore & Islamabad. The Chairman agreed and assured that we will very soon arrange the event in consultation with CPD Committee, Faisalabad.

There being no other business, the meeting concluded with the vote of thanks to the Chair. The Chairman thanked all the members for their valuable comments and participation in the AGM.

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**CHAIRMAN**

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**SECRETARY**

**Encl.** Attendance Sheet