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PRESIDENT'S MESSAGE



Frank V. Myers

President Joan Brathwaite for their sterling contribution to the ICAC during the last two years.

Recognition must also be given to the Chief Executive Officer and her staff for their selfless and unwavering support to the Board and the Executive during a very challenging period.

We will continue to build on the work and initiatives of this and previous administrations towards the objective of cementing ICAC's position as the point of reference for all matters impacting on the profession in the region. We also aim to take our place and provide leadership in the formulation of strategies to achieve regional economic development. Given our history, this is perhaps our greatest challenge as success requires a quantum shift in the perception of all regional institutions and governments to see ourselves as inter-dependent communities within the Caribbean nation, rather than defined jurisdictions, each following its self-centered agenda. The recent international incident that led to the closure of their air spaces by several European countries, should if anything, emphasize to us that we in the Caribbean region need each other.

The ongoing economic challenges that are still being experienced globally together with the changes in the international trade environment impact the accountancy profession and how we

operate. The profession must confront these issues and it is important that our voices are heard regionally and globally. The profession has not recovered from the perception of absenteeism and "dereliction of duty" in the lead up to the 2008 global financial crisis and much needs to be done to restore our image. Ethical conduct in all aspects of the profession will assist tremendously and we will seek to be represented at the highest level of related discussions.

I thank the Board of Directors and by extension the individual institutes for giving me the opportunity to serve as President of ICAC during what is clearly a testing time for the accountancy profession globally. However, there are a number of issues that will be a priority for the ICAC during the upcoming year including the practice monitoring programme, which is at varying stages throughout the region. The programme needs to be reviewed and re-negotiated to ensure continuity until we have the capacity to undertake practice monitoring on our own. The ICAC will also be reviewing its strategic plan to ensure its relevance in this dynamic and rapidly-changing environment.

The ICAC will continue to make a meaningful contribution regionally and internationally through its representation at various fora as well as by letting its voice heard on critical matters impacting the profession. I was recently given the honour of addressing, on behalf of ICAC, the 2013 CReCER conference, the largest gathering of professional accountants in Latin America and the Caribbean, which was hosted by the Colombian Institute of Public Accountants in Cartagena, Colombia. This was the 7th conference being held and the Caribbean region made its

presence felt with its largest ever representation, some of whom were presenters and discussion leaders. Our objective of representing the Caribbean accounting profession demands our continued presence in such fora. A detailed report on the 7th CReCER conference is carried in this newsletter on page 5.

The 31st edition of our flagship event, the Annual Caribbean Conference of Accountants, was held June 27-29, 2013 in Barbados under the theme: **Global Challenges. Regional Solutions.** We thank the Institute of Chartered Accountants of Barbados and its planning committee for a very well organised conference. Initial reports suggest that participants were very satisfied and the high standard of our premier event was certainly maintained.

We also wish to thank our member institutes, affiliates and associate member bodies for their support in encouraging a high level of delegate registrations from their respective territories. Highlights of the 2013 conference are included in an article on pages 10 – 11 in

this newsletter.

Our Annual Caribbean Conference continues to provide a forum for accounting and finance professionals in the region and beyond to discuss critical issues and share ideas and best practices that will enhance their role and further develop the regional accountancy profession. We look forward to the 2014 Caribbean Conference which is scheduled to held in Suriname over the period June 5 – 7, 2014 and invite you to mark the dates in your calendar.

We will continue to keep you abreast of ICAC activities as well as important developments within the accountancy profession via this newsletter.

Frank V. Myers
President

New Leadership Elected for the Regional Accountancy Body for 2013-2014

Frank V. Myers, Assurance Partner with KPMG Eastern Caribbean, has been elected President of the regional accountancy body, The Institute of Chartered Accountants of the Caribbean (ICAC), for the period 2013-2014.

Mr. Myers, who was first appointed to the ICAC Board in 2001, has been playing a key role in the development of the accountancy profession regionally and internationally. He has served as Secretary of the ICAC for the period June 2010–2011 and Vice President from June 2011 until his election as President in June 2013. He also served as the representative for the Caribbean and the Americas on ACCA's International Assembly (2006 –2009) and is the current President of the Institute of Chartered Accountants of the Eastern Caribbean (ICAEC), a position he has held since 2006.

A former Saint Lucia island scholar, Mr. Myers graduated from Edinburgh University in Scotland in 1975 with a degree in Mathematics and qualified as a chartered accountant in 1984. In addition to his core functions as an Assurance Partner and Head of Tax within KPMG Eastern Caribbean, where he has practiced for the past 21 years, Mr. Myers has responsibility for Ethics and Independence, and Risk Management.

He is a former Chairman of the Public Service Commission in Saint Lucia (1997-2010) and has also provided community service as a member of the Lions Club of Saint Lucia, the Mental Health Association of Saint Lucia, and the Saint Lucia School for the Deaf. He is also a past president and an active

member of the Rotary Club of Saint Lucia.

As the newly-elected President of the ICAC, he affirms his commitment to continue to advance the goals of the ICAC for the benefit of the accountancy profession and to strengthen the role/contribution of the profession regionally and internationally. His vision is that the accountancy profession in the Caribbean be recognised and accepted as having a key role to play in the development of the economies and markets of the region.

“To do this, we need to change the perception of our profession among business leaders, internal and external investors, regulators and the political directorate that we are mere historians. As accounting professionals, we must demonstrate that we have a clear understanding of the issues and challenges faced by our territories and that by dint of our training and experience, we have a valuable role to play and can make a significant contribution to businesses and to the development of the region,” states Frank Myers.

Frank Myers is supported in his new role as President by Bahamian **Jasmine Davis**, who was elected Vice President; Jamaican **Vintoria Bernard**, who was elected Treasurer and Guyanese **Khalil Alli**, who was elected Secretary.

Jasmine Davis is the current President of The Bahamas Institute of Chartered Accountants (BICA). A Certified Public Accountant (CPA), she entered the accountancy profession in The Bahamas in 1998 and received her training at

PriceWaterhouseCoopers. She later joined the leading medical facility in Grand Bahama as the Financial Controller and is now the Vice President of Patient Finance at Doctors Hospital. Ms. Davis also represents the profession on the Government's Central Revenue Agency (CRA) Steering Committee and the Bahamas Trade Commission Sub-Committee for the Financial Services Sector. Ms. Davis was first appointed to the ICAC Board as Alternate Director in June 2012.

A member of the Institute of Chartered Accountants of Jamaica (ICAJ) since 1987, **Vintoria Bernard** served as President of ICAJ from July 2011 – July 2013. She is a Fellow of ACCA and the ICAJ and is an Associate Member of the Association of Certified Fraud Examiners. She is the Managing Partner of Vintoria Bernard Chartered Accountants and has been in practice since 1991. She previously worked with PricewaterhouseCoopers as well as with statutory organisations and within the manufacturing and distribution sectors. Ms.



Newly-elected President of ICAC, Frank Myers (right) with other newly-elected Executive Officers of the ICAC - Jasmine Davis, Vice President (left, front row); Khalil Alli, Secretary (back row, left) and Vintoria Bernard, Treasurer (back row, right).

Bernard was first appointed Alternate Director to the ICAC Board in June 2011.

Khalil Alli is a Partner with the firm of Jack A. Alli, Sons & Co., an accountancy firm located in Guyana. He qualified as a chartered accountant while working with the London office of PricewaterhouseCoopers United Kingdom. He studied Economics at undergraduate and postgraduate levels at the London School of Economics and Political Science. Mr. Alli served as President of the Institute of Chartered Accountants of Guyana from 2008 to 2011. He joined the ICAC Board as Alternate Director for Guyana in 2008 and has been a Director since 2011 and has also served as the ICAEW representative on the ICAC Board since 2008.

The ICAC currently represents seven English-speaking member institutes with a network of approximately 3,700 accountancy professionals throughout the region. It is the recognised regional organization dedicated to advancing the interest of accountants and professionals in the finance and accounting sector within the Caribbean through the promotion of internationally acceptable standards and best practices, thought leadership, research and continuing professional development.

The ICAC is also an “Acknowledged Accountancy Grouping” of the International Federation of Accountants (IFAC); a designation held by five other accountancy groupings in the world. These accountancy groupings support the objectives of IFAC and the advancement of the accountancy profession within their jurisdictions.

Note of Appreciation

The ICAC Board extends its deepest appreciation to the following individuals for their invaluable contribution during their tenure on the Board:

Joan Brathwaite,

who served as President of ICAC for the period June 2011 to June 2013. Ms. Brathwaite will continue to serve as Immediate Past President and Director for Barbados on the ICAC Board.

Archibald Campbell,

who served as Director for Jamaica from June 2009 - June 2013 and as ICAC Treasurer from 2011 - 2013.

Zelma Wilson,

who served as Alternate Director for the Bahamas from June 2011 – June 2012 and as a Director for the past year.

Claude Burrell,

who served as Director for Belize from June 2008 – June 2011 and as Alternate Director from June 2011 - June 2013.

Colin Thompson,

who served as Alternate Director from June 2011 – June 2013.

Welcome on Board

We welcome the following newly-appointed persons to the ICAC Board, effective June 2013:

- **Reece Chipman**, Secretary of the Bahamas Institute of Chartered Accountants (BICA), who has been appointed Alternate Director for the Bahamas.
- **Reynaldo Magana**, Senior Partner, Moore Stephens & Magana, LLP, who has been appointed Alternate Director for Belize.
- **Ronald Alli**, President of the Institute of Chartered Accountants of Guyana, who has been appointed Alternate Director for Guyana.
- **Dennis Chung**, President of the Institute of Chartered Accountants of Jamaica, who has been appointed Alternate Director for Jamaica.

CAC & IFAC Host 2013 Meeting of Professional Accountancy Organisations in the Caribbean

The Institute of Chartered Accountants of the Caribbean (ICAC) in collaboration with the International Federation of Accountants (IFAC) hosted a successful consultative meeting with Presidents, Chief Executives and other leaders of professional accountancy organisations (PAOs) in the Caribbean on June 26, 2013 at the Hilton Hotel in Barbados.

The meeting of regional PAOs, which is held annually in conjunction with the ICAC's Annual Caribbean Conference, facilitates the sharing of ideas and experiences among participants as well as meaningful discussions on key issues and challenges facing the regional accountancy profession. The meeting also serves to facilitate the building of relationships between IFAC and its member bodies (professional accountancy organisations) in the region.

"We recognize that building strong regional and international linkages and partnerships through which we can share ideas and experiences can serve to strengthen, not only the ICAC as an organization, but also the accountancy profession in the region. The ICAC is therefore pleased to join IFAC in hosting this annual meeting of regional professional accountancy organisations," states ICAC President, Frank Myers.

"The consultative meetings have been successful in helping to facilitate dialogue among accountancy bodies in the region. The meetings have also been critical in forging collaborative partnerships and the sharing of best practices and resources for the further growth and development of the accountancy profession," the ICAC President added.

The 2013 Regional PAO meeting featured presentations from:

- Warren Allen, IFAC President, who spoke on the role of IFAC and independent standard-setting boards; international standards for the accountancy profession; IFAC's support to accountants worldwide and IFAC's collaboration with regional groupings like ICAC as well as professional accountancy organisations;



IFAC President Warren Allen (second from left) shares a light moment as he discuss key issues and challenges facing the accountancy profession in the region. Other speakers from left to right: Mozammal Hoque, Senior Financial Management Specialist, World Bank, Joan E. Brathwaite, President, ICAC, Deborah Williams, Chair of IFAC's PAO Development Committee and Frank Myers, Vice President, ICAC.

- Chair of IFAC's PAO Development Committee, Deborah Williams who provided a detailed overview of IFAC's PAO Development Committee and how it supports and promotes the development of sustainable professional accountancy organisations through mentoring and other collaborative partnerships;

- Szymon Radziszewicz, IFAC Senior Technical Manager – Member Body Development, who assisted participants to better understand IFAC's SMO Framework; the revised SMOs and its implications for the accountancy profession; and

- Senior Financial Management Specialist, World Bank, Mozammal Hoque, who delivered a presentation on the accountancy profession in the Caribbean; Accounting and Auditing ROSC: Assessing the Quality of the Accounting & Auditing Framework in the region and the World Bank Support to PAOs in the Caribbean.

A group discussion was also held which provided participants with an opportunity to share experiences on issues such as:

- Challenges for PAOs in the region and for ICAC as an Acknowledged Accountancy Grouping and the way forward for the ICAC;
- Feedback/input on the role of professional accountancy bodies, IFAC and the World Bank in supporting the development of ICAC and the regional accountancy profession; and
- IFAC SMOs and regional implementation issues.

The regional consultative meeting was attended by representatives of professional accountancy organisations (PAOs) in the Caribbean, as well as ICAC's affiliate member bodies in Canada, the United States and United Kingdom.

The Institute of Chartered Accountants of the Caribbean (ICAC) in collaboration with the International Federation of Accountants (IFAC) meeting with Presidents, Chief Executives and other leaders of Professional Accountancy Organisations (PAOs) in the Caribbean on June 26, 2013 at the Hilton Hotel in Barbados



CRECER 2013 ATTRACTS WIDE PARTICIPATION FROM THE CARIBBEAN

The 7th Conference for Accounting and Accountability for Regional Economic Growth (CRECER) which was held in Cartagena, Colombia at the Cartagena de Indias Convention Center over the period July 31 - August 2, 2013 attracted wide participation from the Caribbean for the first time.

The 2013 CRECER Conference themed *Integrating Approaches to Financial Reporting to Advance Regional Economic Growth: An Exchange between Public and Private Sector*, was attended by over 350 delegates and speakers. The conference included an invitation-only closed event at which leaders of the private and public sectors exchanged ideas, perspectives, and experiences regarding the adoption and implementation of high quality standards and practices and effective regulatory frameworks. It also focused on a wide range of topics, including national and regional initiatives to advance adoption and implementation of international standards; global perspectives on the evolving role of auditors and accountants; recent capital market developments to support investment; and the future of business reporting, including integrated reporting and changes to IFAC's code of ethics and the challenges for the region in implementation.

Among the featured speakers at CRECER were representatives from the Caribbean, namely:

- Frank Myers, President of the Institute of Chartered Accountants of the Caribbean (ICAC), who addressed the closing ceremony on the conference theme, ***“Integrating Approaches to Financial Reporting to Advance Regional Economic Growth: An Exchange Between the Public and Private Sector”***.
- Andrew Brathwaite, Past President of the Institute of Chartered Accountants of Barbados (ICAB) & Member of the SME Implementation Group, IFRS Foundation, who was a discussion leader on the topic, ***“Implementation Challenges of IFRS for SMEs and SMPs.”*** Mr. Brathwaite also sits on the ICAC Board as Alternate Director for Barbados.
- Anthony Pierre, Past President of the Institute of Chartered Accountants of Trinidad & Tobago (ICATT)

and Director on the ICAC Board, who participated as a discussion leader for the session entitled, ***“Public Sector Standards & Strengthening the Profession: Holistic Approach to Strengthening the Accountancy Profession – PAOs, Universities & the Public Sector.”***

- Pamela Monroe-Ellis, Auditor General, Auditor General's Department of Jamaica and IFAC Board Member, who participated as a discussion leader for the session entitled, ***“Public Sector Standards & Strengthening the Profession: Holistic Approach to Strengthening the Accountancy Profession – PAOs, Universities & the Public Sector.”***
- Jennifer Nero, Managing Director, Eastern Caribbean Central Bank (ECCB), who participated as a discussion leader on the topic, ***“Ethics – Changes to the Code and Challenges for the Region.”***

Also participating in the CRECER Conference were Ms. Vintoria Bernard, past President of the Institute of Chartered Accountants of Jamaica and Treasurer of ICAC; Ms. Jasmine Davis, President of the Bahamas Institute of Chartered Accountants and Vice President of ICAC; Reece Chipman, Secretary of the Bahamas Institute of Chartered Accountants and Leigh Trotman, Auditor General of Barbados.

The 2013 CRECER event was hosted by Instituto Nacional de Contadores Públicos de Colombia, the International Federation of Accountants (IFAC), the global organization for the accountancy profession, the World Bank, the Inter-American Development Bank and the Global Public Policy Committee.

CRECER is the primary Latin America and the Caribbean conference held annually to discuss financial reporting, transparency, and accountability and their impact on regional economic growth. More specifically, CRECER seeks to provide an opportunity to discuss the importance and challenges of continued adoption and implementation of international standards including IFRSs, ISAs and IPSAS, the role and value of audit and assurance, public financial management and information needs, and developments to support the training and certification of professional accountants in the private and public sector.



CRECER participants from left to right:

- Reece Chapman, Secretary, The Bahamas Institute of Chartered Accountants (BICA);
- Faye Choudhury, CEO, International Federation of Accountants (IFAC);
- Pamela Monroe Ellis, Auditor General of Jamaica and IFAC Board Member;
- Vintoria Bernard, Immediate Past President,

- Warren Allen, President, International Federation of Accountants (IFAC);
- Jennifer Nero, Managing Director, Eastern Caribbean Central Bank (ECCB);
- Jasmine Davis, President, The Bahamas Institute of Chartered Accountants (BICA);
- Frank Myers, President of the Institute of

- Chartered Accountants of the Caribbean (ICAC);
- Charmaine Felter, Auditor General of Suriname;
- Leigh Trotman, Auditor General of Barbados;
- Dean Evans, Director of Audit Department of Antigua; and
- Anthony Pierre, Past President of the Institute of Chartered Accountants of Trinidad & Tobago (ICATT)

Association of Chartered Certified Accountants (ACCA)

New ACCA certificate launched for small business reporting standard

A new certificate has been launched to assist finance professionals in understanding the new International Financial Reporting Standard (IFRS) for small and medium-sized entities (SMEs). The CertIFR for SMEs has been launched by ACCA to ensure finance professionals understand the details of the International Financial Reporting Standard (IFRS) that has been introduced for SMEs.

Business leaders join Accountants for Business global think-tank

Business leaders from around the world have been appointed to a global think tank to bring new perspectives on the key issues facing chief financial officers, finance functions and global businesses. The new appointees to the Accountants for Business global forum, a joint venture between ACCA and IMA join from a wide range of industries and backgrounds. They include CFOs, managing directors and vice presidents of leading organisations who will bring direct insights and new thinking to key challenges facing finance leaders and global finance functions.

Caribbean businesses view little prosperity on horizon, says new study

Confidence is low among Caribbean businesses, with only the largest companies reporting signs of an upward swing in prospects for the future, according to new research. The Global Economic Conditions Survey from ACCA and the Institute of Management Accountants, which gauges the views of finance professionals across the world, revealed that the Caribbean's business community had little to feel good about in the first quarter of 2013. The global survey of 2,000 finance professionals working in businesses of all sizes showed that in the region just 23% said they were more confident about the prospects of their organisations, while 31% reported a loss of confidence.

Whistleblowing laws, audit independence key to building trust in public services

Whistleblowing laws and policies must be promoted by finance professionals working in the public sector around the world to ensure that communities can have full confidence in how their taxes are being spent, a new report by ACCA has said. Finance professionals have a critical role to play in building public trust by championing the cause of developing anti-corruption procedures and cultures, says ACCA's report '*Setting high professional standards for public services around the world*' which has been updated for 2013.

American Institute of Certified Public Accountants (AICPA)

1. Russell Golden succeeded Leslie Seidman as Financial Accounting Standards Board's (FASB's) chairman on July 1, 2013. AICPA President and CEO Barry Melancon, CPA, CGMA, said in a statement that the Institute is pleased

with Golden's selection. Seidman's term expired at the end of June. She served as FASB's chairman since December 2010.

2. On April 8, the U.S. Senate confirmed the nomination of Mary Jo White as chairman of the SEC. The Center for Audit Quality (CAQ), which is affiliated with the AICPA, issued a statement applauding White's confirmation. Interested ICAC members can learn more about Ms. White's nomination by visiting: <http://journalofaccountancy.com/News/20137734.htm>.
3. After years of consideration, the Financial Accounting Standards Board (FASB) is finalizing its approaches on three major issues: revenue recognition, leases and financial instruments. The AICPA continues to monitor the progress of the standards and comment on the exposure drafts. Learn more about the status of the pronouncements here: <http://blog.aicpa.org/2013/05/be-prepared-for-major-changes-in-key-gaap-standards.html>
4. As part of the '360 Degrees of Financial Literacy' initiative (<http://www.360financialliteracy.org/>) the AICPA recently launched the Total Tax Insights calculator (<http://www.totaltaxinsights.org/>). The site helps U.S. taxpayers get a clearer picture of the number and types of taxes they pay throughout the year as well as the estimated amounts. ICAC members involved in U.S. tax may be interested in using the tax tool.

Certified General Accountants Association of Canada (CGA-Canada)

CGA-Canada re-enters unification talks with CPA Canada

The Certified General Accountants Association of Canada (CGA-Canada) has returned to talks aimed at unifying the accounting profession in Canada under the Chartered Professional Accountants (CPA) banner. More than 85 per cent of the CGA affiliates of Canada are now involved in discussions or have already unified. This represents 55 per cent of the CGA membership. Currently, organizations representing almost 90 per cent of Canada's professional accountants are committed to unification under the CPA designation.

CGA-Canada and CPA Australia renew strategic partnership

CGA-Canada and CPA Australia have renewed their mutual recognition agreement (MRA) until 2018. The agreement, first signed in 2008, offers members greater international recognition and professional mobility.

CGA-Canada launches national tax portal

Designed for both the public and business professionals, the portal features access to the *2012-13 Personal Tax Planning* book, key filing deadlines, links to advice and news articles, and a link to a national directory of more than 2,250 CGA firms called [Need an Accountant](#).

Research

The following recent reports and surveys are available on the

CGA Canada website: www.cga-canada.org:

- Is the Capital Cost Allowance System in Canada Unnecessarily Complex?
- Mobile Payments in Canada – The Demand Side of the Equation
- Youth Unemployment in Canada: Challenging Conventional Thinking?

Certified Management Accountants (Canada) and the CMA Caribbean partner

Chartered Professional Accountants of Canada (CPA Canada) officially becomes operational

On April 1, 2013, CPA Canada was established with the unification of the Canadian Institute of Chartered Accountants (CICA) and The Society of Management Accountants of Canada (CMA Canada). The assets and operations of the CICA and CMA Canada have been transferred to the new national body. This national organization supports provincial accounting bodies that have unified, and all those that will unify, under the Chartered Professional Accountant (CPA) banner. In addition, a logo was unveiled for the CPA designation.

CPA Canada will be responsible for providing services to legacy CAs and CMAs on behalf of the CICA and CMA Canada as well as CPAs and CGAs participating in the unification effort.

One of the first priorities is the development of a new CPA certification program to be in place for delivery in Canada, Bermuda, and the Caribbean by this fall, with the first CPA exams to be offered in the fall of 2015.

Currently, accounting bodies representing 85 per cent of Canada's professional accountants are committed to unification or have already merged under the CPA banner. The timing for use of the CPA designation will vary among the provinces because the profession in Canada is provincially regulated, therefore, mergers will occur at different times. CPA Quebec and the Institute of Chartered Accountants of Ontario (ICAO) became the first organizations to join CPA Canada earlier this year. <http://www.icaew.com/en/about-icaew/newsroom/press-releases/2013-press-releases/icaew-hosts-strategic-forum-for-cis-accounting-bodies>

CMA to CPA – Transition Timeline:

As CMA transitions to CPA, it will be important for all stakeholders to be aware of the following program transition timelines:

- **CMA Foundational Studies Program:** The last intake into the CMA Foundational Studies Program (also referred to as the CMA Accelerated Program) was January 2013. The new CPA Prerequisite Equivalency Program (CPA PREP) will replace CMA's existing bridging program, and will begin to be offered, in a distance-based modular format, in August 2013.
- **CMA Entrance Examination:** The last sittings of the CMA Entrance Examination will be in 2013 - June, October, and November. Individuals who are successful on the final Entrance Examination will be bridged into the new CPA professional education program at the appropriate point. There will be no entrance exam in the CPA accreditation model; rather, a multi-day Common Final Exam (CFE) upon completion of the professional program will be introduced.

The Institute of Chartered Accountants of the Caribbean

- **CMA Professional Program:** The last intake into the Strategic Leadership Program will be November 2013. The new CPA Professional Education Program (CPA PEP) will begin to be offered in the region in September 2014.

- **Combined CMA/IMBA Program:** All candidates enrolling (or enrolled) in the combined IMBA-CMA program at the University of the West Indies, Cave Hill School of Business, must have passed the CMA Entrance Exam by November 2013.

- **CMA Executive Program:** The final intake for the foundation-phase of the Caribbean Executive CMA program was in June 2013. For those individuals meeting the advanced-standing and admission eligibility criteria for direct entry into the application-phase of this exclusive program, the final offering will be October 2013.

Institute of Chartered Accountants in England and Wales (ICAEW)

ICAEW's New Officer Holders for 2013-14

On June 5, 2013, Martyn Jones, a retired technical partner at Deloitte, was elected president of ICAEW. Arthur Bailey was elected Deputy President and Andrew Ratcliffe Vice President.

Reliability Matters: Reliability and the Central Role of the Auditor

The Audit Quality Forum, hosted by ICAEW, has published a discussion paper which provides a new perspective on much-debated topics such as audit quality, expectation gaps and scepticism by looking at audit through the reliability concept. <http://www.icaew.com/en/about-icaew/newsroom/press-releases/2013-press-releases/audit-quality-forum-audited-financial-statements-should-be-reliable>

Strengthening the Accounting Profession: ICAEW hosts two forums

ICAEW hosted a meeting in April with the Institute of Certified Public Accountants of Bulgaria for professional accountancy organisations from Central, Eastern and Southern Europe. This was followed in May by a meeting for accountancy organisations, banks, regulators and government in the Russian Federation and CIS region. Discussions at both events focused on the challenges facing the profession in adapting to the needs of society and markets, and on developing relationships with government and regulatory bodies. <http://www.icaew.com/en/about-icaew/newsroom/press-releases/2013-press-releases/second-accountancy-profession-strategic-forum-held-in-sofia>

<http://www.icaew.com/en/about-icaew/newsroom/press-releases/2013-press-releases/icaew-hosts-strategic-forum-for-cis-accounting-bodies>

ICAEW calls the IASB and FASB lease accounting proposals 'less complex, still controversial'

Commenting on IASB and FASB's new proposals for lease accounting, released on May 16, 2013, Dr Nigel Sleigh-Johnson, Head of ICAEW's Financial Reporting Faculty, said 'There is wide agreement that getting leased assets onto balance sheets will represent an improvement in financial reporting. It should help to improve transparency and comparability.' <http://www.icaew.com/en/about-icaew/newsroom/press-releases/2013-press-releases/new-lease-accounting-proposals-less-complex-still-controversial>

FATCA AND ITS IMPLICATIONS ON CARIBBEAN STATES

Contributed by Wayne Lovell, Partner, Tax at KPMG Barbados & Member of the ICAC Regional Taxation Committee

The following is the first in a series of articles on tax-related issues in the Caribbean from members of the ICAC Regional Taxation Committee. The objective is to assist in sensitizing and informing members of the accountancy profession about taxation issues and developments in the region.

The Foreign Account Tax Compliance Act (FATCA) was enacted on March 18, 2010 and is a portion of the 2010 [Hiring Incentives to Restore Employment \(HIRE\) Act](#) which is a United States (US) Federal statute that requires US individuals and entities to report their financial accounts held overseas. Under the Act, Foreign Financial Institutions (FFIs) are mandated to report information on US corporate and individual account holders to the [Internal Revenue Service](#) (IRS). The salient provisions of FATCA have been incorporated into the US Internal Revenue Code. FATCA introduces a new reporting regime aimed at the disclosure of US persons with offshore accounts and investments. The primary aim is to capture those US persons who obtain or use offshore accounts and investments, facilitated by foreign banks and foreign financial institutions (FFIs), with the sole purpose of evading taxes. It is designed to compel FFIs, closely held foreign corporations, and certain other foreign entities to identify and disclose U.S. account holders and U.S. owners (i.e., persons who owned or have substantial ownership in FFIs).

This disclosure is accomplished by a new withholding regime (US Chapter 4), that works in tandem with the current withholding regime (US Chapter 3). Chapter 4 imposes a penal withholding tax on withholdable payments made to foreign financial institutions and other foreign entities that fail to comply with the disclosure requirements.

Background

Currently foreign intermediaries may enter into an agreement with the US Internal Revenue Service (IRS) to act as a Qualified Intermediary (QI). Under the terms of its Agreement a QI undertakes to comply with certain documentation, withholding and reporting requirements. A benefit of the QI regime is that a non-US investor can anonymously invest in the US, because Tax Form reporting provided by a QI is done on a pooled basis.

US Taxation is assessed on US Resident Individuals and domestic corporations on worldwide income regardless of where income is sourced or derived and regardless of where the individual resides. US Taxation is assessed on Non-Resident Individual and Corporations on US source income and limited categories of foreign-source income connected to a permanent establishment. Fixed or Determinable Annual or Periodical (FDAP) Income, generally includes any withholdable payments.

US Tax Reporting For US Persons is undertaken by US Withholding Agent reporting payments made to US persons (on Form 1099), including information on US taxpayer (Form W-9). US Person Files tax return under the self-assessment method. IRS matches Form 1099 to tax return. Form W-9 is

used to establish US status and to remove any presumption of foreign status e.g. US citizen, resident alien, etc. Form 1099 is used to report various categories of income earned by certain US persons.

Who is affected by FATCA?

All banking, investment management/administration, fiduciary and life insurance entities need to consider FATCA and assess its impact on their organisation. Any entity with US assets will be impacted. FATCA will apply to any person/entity that makes/receives withholdable payments.

The US Government is therefore seeking to have countries around the world partner with it to implement and operationalise FATCA. Under FATCA, FFIs are potentially subject to punitive 30% US withholding tax on the Withholdable Payments beginning July 1, 2014 and Passthru Payment beginning no sooner than July 1, 2017. Non-Financial Foreign Entities (NFFE) are also potentially subject to a punitive 30% US withholding tax imposed on Withholdable Payments beginning July 1, 2014. If 30% FATCA withholding is not required, then regular non-US person withholding rules (Chapter 3) continue to apply. Countries which do not comply run the risk of causing their financial institutions to be subject to a 30% withholding tax on both income and capital from US sources.

Withholdable Payments are any payment of interest, dividends, rents, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, and other fixed or determinable annual or periodical gains, profits, and income if such payment is from **sources within the US**; and any gross proceeds from the sale or other disposition of any property of a type which can produce interest or dividends from **sources within the US**.

Passthru Payments are any withholdable payment or other payment to the extent attributable to a withholding payment.

FATCA implementation may be on the basis of Intergovernmental Agreements (IGAs) between the US and various countries that will have the status of a treaty. In relation to the Caribbean, legislation will have to be passed to incorporate FATCA into the domestic laws of each territory. If no such legislation is passed, Caribbean FFIs will have to seek a waiver from US bank account holders in order to make appropriate disclosures.

Foreign Financial Institution

A Foreign Financial Institution (FFI) is defined as any foreign entity that either accepts deposits in the ordinary course of a banking or similar business; is in the business of holding financial assets for the account of others; or is primarily engaged in the business of investing, reinvesting, or trading in securities, partnership interests (including futures or forward contracts or options), certain commodities, or any interest in such instruments. FFIs can be Commercial Banks Savings; Loan Associations; Credit unions; Co-operative banking institutions; Building Societies; Broker Dealers; Clearing

Organisations or Life Insurance that issue cash products. FFIs exist in the Caribbean.

Implications for the Caribbean

FATCA is aimed at the international financial (offshore) world, so the Caribbean should expect that most of FATCA will affect us, including withholding on US sourced Income/dividends and gross proceeds of sale.

To comply FFIs and NFFEs are required to enter into an agreement with the IRS to identify US accounts and report them to the IRS on an annual basis by examining withholdable payments and Passthu payments. All non-U.S. entities that receive withholdable payments are affected. FATCA requires that new account policies and procedures be developed to address identification and due diligence requirements for all new accounts, and the review of existing account files to determine what documentation is in the files from a FATCA perspective. A US Account is any depository account maintained by FFI, or any custodial account or any equity or debt interest in an FFI, other than interests that are regularly traded on an established securities market or any cash value insurance contract and annuity contract issued or maintained by an FFI, that are held by a specified US person or US owned foreign entity. A US person is one who is a citizen, an alien green card holder, a person who meets the requirements as a "tax resident" as evidenced by "indicia" of US account. US Indicia is identification of any account holder as a US resident or US citizen; a US address associated with an account holder of the account; a US birth place for an account holder of the account; an "in care of" address, a "hold mail" address (i.e. a request that the US Postal Service hold mail for a specific address rather than deliver it-usually for a specific period of time), or a US PO address that is the sole address on file with respect to the account holder; a power of attorney or signatory authority granted to a person with a US address; or outstanding instructions to transfer funds to an account maintained in the US or directions received from a US address.

Actions an FFI Must Do as a Part of its FFI Agreement

Thus, a FFI will be required to obtain information regarding each account holder to determine which (if any) of such accounts are US accounts, and comply with verification and due diligence procedures required by the IRS/Treasury with respect to the identification of US accounts. If the FFI maintains US accounts, it must report on an annual basis certain account information to the IRS. The FFI is also required to deduct and withhold a tax equal to 30 percent on certain payments to recalcitrant account holders and non-participating FFIs. An FFI must comply with requests by the IRS/Treasury for additional information with respect to any US account. If foreign law prevents the reporting of any information the FFI must attempt to obtain a waiver from relevant account holders in a reasonable period of time or exit the account.

A FFI that did not enter into an FFI agreement will suffer 30% punitive withholding on any withholdable payment made by US withholding agent, and will suffer 30% punitive withholding on any passthu payment made by Participating FFI (PFFI).

FATCA withholding is not applicable if a PFFI provides the withholding agent with valid documentation establishing FATCA is not applicable; is a deemed-compliant FFI; or an

Exempt Beneficial Owner.

Where a NFFE receives withholdable payments, the withholding tax of 30% will apply unless the NFFE provides information on its substantial US owners; or the NFFE has no substantial US owners; or the NFFE is an excepted NFFE.

Thresholds Timelines and Procedures Relating to US Reportable Accounts

Under FATCA there are various rules applying to US reportable accounts. Individual accounts in existence (pre-existing accounts) prior to June 14, 2014 need not be reviewed or reported if they are less than US\$50,000 (bank accounts) or \$250,000 (cash value insurance contracts) in value. Individual accounts exceeding these sums but not \$1,000,000 must be reviewed by June 30, 2016. Accounts exceeding \$1,000,000 must be reviewed by June 30, 2015.

With accounts opened on or after July 1, 2014, FFIs must obtain valid self-certification or documentation that shows whether or not an account holder is a US citizen or resident for tax purposes. A valid IRS W-8 form is a credible method of self-certification. The W-8 form is used by foreign persons (including corporations) to certify their non-U.S. status. The form establishes that a person is a [non-resident alien](#) or [foreign corporation](#), and permits the avoidance or reduction of [withholding](#) tax on U.S. source income, such as rents from U.S. property, interest on U.S. bank deposits or dividends paid by U.S. corporations. There are criminal penalties for falsifying IRS forms.

Once through self-certification the account holder is found to be a US citizen or resident the account must be treated as a US reportable account.

For pre-existing entity accounts the basic threshold for review is \$250,000. An entity is a US corporation, a US financial institution, a US controlled non-financial foreign entity (NFFE), a non US financial institution and non-participating financial institution. Accounts held by the former three entities are treated as US Reportable accounts while those held by the latter two are not US reportable accounts but payments to them would be reported to the competent tax authority of the relevant jurisdiction.

Most of the enhanced due diligence procedures for US reportable accounts must be completed by June 30, 2016 in which case reporting on such accounts must be done by June 30, 2017. In other cases the procedures must be completed and reported on by June 30, 2015 and June 30, 2016 respectively. Once any account is found to be a US reportable account in one year, that designation remains in subsequent years until some circumstance arises to change it.

US reportable accounts are accounts for which US indicia are found through review procedures. Review procedures include electronic record searches, paper record searches including Know Your Customer (KYC)/(AML) Anti Money Laundering documentation and relationship manager enquiries. US indicia include US business organization, US citizenship or residency, unambiguous US place of birth, US addresses and telephone numbers and standing orders for fund transfers to US accounts.

2013 ICAC Caribbean Conference of Accountants in Barbados Attracts over 500 Regional and International Participants

Some 560 accounting and finance professionals as well as business leaders from the region and internationally, gathered in Barbados over the period June 27 – 29, 2013 for the Institute of Chartered Accountants of the Caribbean's (ICAC's) 31st Caribbean Conference of Accountants.

The 2013 Conference was held at the Hilton Barbados Resort, which is nestled on the popular Needhams' Point on the outskirts of Bridgetown, Barbados. The conference theme, "**Global Challenges – Regional Solutions**", examined the global issues affecting the Caribbean including the global economic recession and the changing international trade environment as well as the impact of new international accounting and auditing standards and regulations on the profession. The conference also examined how accounting professionals can leverage their talent and ingenuity to help transform the region's economies and increase competitiveness in the global environment.

The opening session of the conference was addressed by Prime Minister of Barbados, the Hon. Freundel Stuart, QC, MP, who spoke on the topic, **Perspectives on Regional Integration** and IFAC President, Mr. Warren Allen, on the topic, **Driving Sustainable Organisational Success**. Dr. Wendell Samuel, Deputy Division Chief, International Monetary Fund also delivered a presentation on "**Challenges of Fiscal Consolidation and Debt Reduction in the Caribbean**" during the opening session of the conference.

Other presentations delivered during the technical session of the conference were:

- **Investigation and Discipline of Accountants, in the Wake of Recent Corporate Failures** by Professor Barry Cooper, President of ACCA.
- **Preventing Money Laundering – Doing the Best Thing in the Right Way** by Mr. Paul Simkins, Director, Quality Assurance, ICAEW.
- **Update on International Financial Reporting Standards** – Mr. Peter Gittens, Director, Ernst & Young.
- **The Future of Audit** by Mr. Sha Ali Khan, Director – Practice Monitoring, ACCA and Mr. Kevin J. Dancey, President of CPA Canada
- **Towards Better Public Sector Expenditure Management in the Caribbean** (Panel Discussion)
- **Improving Corporate Governance in the Caribbean** (Panel Discussion)
- **New Model for Cricket Funding, Administration and Development** (Panel Discussion)
- **Women in the Board Room** (Panel Discussion)
- **Employee Engagement and Productivity** (Panel Discussion)

Sharing a Light Moment: Prime Minister of Barbados, the Hon. Freundel Stuart, QC, MP (fourth left) shares a light moment with from left: Derek Mohammed, President of ICATT and Alternate Director for Trinidad on the ICAC Board; Anthony Pierre, Director for Trinidad on the ICAC Board; David Simpson, President of ICAB and Joan E. Brathwaite, outgoing President of ICAC

Discussion)

- **Enterprise Risk Management** by Mr. Bruce L. Scott, Partner, Enterprise Risk Management (ERM), PwC Jamaica.
- **Update on Tax Secrecy Initiatives** by Ms. Anuschka Bakker, Senior Manager, IBFD, Amsterdam.
- **The Economics of Renewable Energy in the Caribbean** by Mr. Roger Blackman, Business Development Manager, Barbados Light & Power Co. Ltd.
- **In Search of Solutions to the Challenges of Regional Air Transportation** by Dr. the Honourable Jean Holder, General Secretary, Caribbean Tourism Research & Development Centre and Caribbean Tourism Organisation
- **Caribbean Tourism Outlook – Challenges and Opportunities** by Mr. Vincent Vanderpool-Wallace, former Director-General of the Caribbean Tourism Organization and former Minister of Tourism of the Bahamas.
- **Caribbean Competitiveness/Growth** (Panel Discussion)
- **Feeding CARICOM – Prospects for Caribbean Agriculture** by Dr. Chelston Brathwaite, Director General, Inter-American Institute of Cooperation on Agriculture (IICA)
- **Imperatives for Caribbean Growth** by Professor Andrew Downes, Pro-Vice Chancellor, Planning and Development, UWI
- **Change Management and Organizational Transformation** by Mr. Simon Holland, Partner, Deloitte

In her closing address, outgoing ICAC President, Betty Brathwaite, thanked the delegates for their support in making the 31st Caribbean Conference a success. She also commended the 2013 conference host, the Institute of Chartered Accountants of Barbados (ICAB), led by its President, David Simpson, for planning and executing an excellent conference.

The newly-elected President, Frank Myers also commended the 2013 Conference team for hosting a successful conference. He noted that the conference theme, "**Global Challenges, Regional Solutions**", was well-chosen and that the team of qualified presenters ensured that participants were well-informed about the wide range of topics selected. He also noted that the entertainment package provided during the conference was also impressive and gave delegates and spouses a true experience of Barbadian culture.



32nd ICAC Caribbean Conference – June 2014 in Suriname

The 32nd ICAC Caribbean Conference of Accountants will be hosted by the Suriname Association of Accountants (SUVA) over the period June 5–7, 2014 in Paramaribo, Suriname. The conference theme is **“Back to Basics.”** Stay tuned for more information on the 2014 conference.



Official Barbadian Welcome: Minister of Tourism & International Transport, the Hon. Richard L. Sealy, (fifth from left) officially welcomed delegates to Barbados at the cocktail reception held on Thursday, June 27. Here the Minister socialises with Barry Cooper, President, ACCA (fourth left) and his wife, Sophia Cooper (left); Kenneth Henry, ACCA Council Member (third from left) and his wife Marcella Henry (second from left) and David Simpson, President of ICAB (right).



Presidential Hand-over: Joan E. Braithwaite, outgoing ICAC President hands over the Presidential Badge to newly-elected ICAC President, Frank V. Myers during the President’s Dinner.



Opening Ceremony: Prime Minister of Barbados, the Hon. Freundel Stuart, QC, MP, addresses local and overseas delegates at the official opening ceremony of the ICAC 31st Caribbean Conference of Accountants.



Concorde Experience: Conference delegates and spouses delight in dining under the wings of a retired British Airways supersonic aircraft at the Concorde Experience during the President’s Dinner on Friday, June 28, 2013.



Dancing to the Latin Beat: Conference delegates and spouses having a fun-filled evening of music and dance at the President’s Dinner.



Showcasing Barbadian Culture: Delegates and spouses enjoy the showcase of culture and entertainment during the cocktail reception



Farewell Fete: Conference delegates and spouses dancing to the rhythms of Barbados’ popular local band Krosfyah at the historic George Washington House on Saturday, June 29, 2013.

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The Bahamas Institute of Chartered Accountants

Continuing Professional Education Seminars

On March 15 & 16, 2013, the Bahamas Institute of Chartered Accountants (BICA) held a workshop in Freeport, Grand Bahamas under the theme, *"The Need for Accountability & Transparency."* Presenters were Mr. Barry Malcolm, President of the Grand Bahamas Chamber of Commerce; Mr. Dave Smith, Executive Director Securities Commission of the Bahamas; Mr. Reece Chipman, BICA Council Member; Mr. K. Peter Turnquest, Member of Parliament for East End, Grand Bahamas; Ms Jasmine Davis, President of BICA; Mr. Pedro Delaney, BICA Council Member and Ms Anishka Collie, Senior Internal Auditor at Bahamas First Holdings Limited.

On April 17, 2013, the Institute held its Value Added Tax (VAT) Conference with featured presenter, Mr. Denzil Whyte, Regulatory and Taxation Specialist from Jamaica. Mr. Whyte is also a member of the ICAC Regional Taxation Committee. The conference was aimed at addressing implementation, regional and national issues that may evolve from the introduction of VAT in the Bahamas.

National Development

BICA met with the Compliance Commission on Wednesday, February 20, 2013. The Compliance Commission welcomed the initiative and encouraged an annual meeting between both bodies. The meeting focused on the Compliance Commission's new application process for persons to become agents acting on its behalf.

Stakeholder Meetings

On March 11, 2013, members of the Institute met with Mr. John Rolle, Financial Secretary in the Ministry of Finance to discuss the propose Tax Reform for the Bahamas in the way of Value Added Tax (VAT).

Members of BICA met with Mr. Mozammal Hoque, Senior Financial Management Specialist for Latin America and the Caribbean with The World Bank on May 7, 2013 to discuss BICA's input for the Joint Synthesis Report on ROSC Accounting and Auditing in the Caribbean, the findings of which will assist in preparing a regional capacity development project in accounting and auditing and a strategy for the ICAC to support capacity building for the ICAC and its member bodies. Efforts will be made to obtain grant funding from the World Bank for the proposed regional capacity development project.

Consultations

Two members of the BICA's Council - Ms Jasmine Davis, President and Mr. Reece Chipman, 2nd Vice President - along with the Institute's Administrative Assistant, Mrs. Merrilen Hepburn, attended the Multi-Sectorial Consultation for the implementation of the Economic Partnership Agreement (EPA).

Ms S. H. Allyson Francis, Trade In Services & Investment Specialist in the Regional EPA Implementation Unit outlined the importance of the implementation of the EPA to the Bahamas. A bi-lateral meeting was also held with members of the Institute and the representative of the EPA Implementation Team.

New Council Members 2013/2014

BICA held its 22nd Annual General Meeting on May 30, 2013 at the British Colonial Hilton Hotel. The following persons were elected to serve on the new Council for the term 2013/2014:

| | |
|-------------------------------|-----------------------------------|
| Ms Jasmine Y. Davis | – President |
| Mrs. Darnell Osborne | – 1 st Vice President, |
| Mr. Gowon Bowe | – 2 nd Vice President, |
| Mr. Basil Ingraham | – Treasurer |
| Mr. Brent Roberts | – Assistant Treasurer |
| Mr. Reece Chipman | – Secretary |
| Mrs. Cecile Greene | – Assistant Secretary |
| Mrs. Cleo Armbrister-Charlton | |
| Mr. Terrance Bastian | |
| Mrs. Stacy Johnson | |
| Mr. Aaron Jones | |
| Mr. Lawrence Lewis | |
| Ms Candice Murton | |
| Mr. Chato Outten | |
| Ms Zelma Wilson | |



Seated L-R: Basil Ingraham, Gowon Bowe, Jasmine Davis, Darnell Osborne, and Reece Chipman.
Standing L-R: Lawrence Lewis, Brent Roberts, Aaron Jones, Stacy Johnson, Chato Outten, Candice Murton, Terrance Bastian and Cecile Greene

ICAC Conference

Eleven delegates from the Bahamas attended the 31st Annual Conference of the Institute of Chartered Accountants of the Caribbean (ICAC) which was held in Barbados. Mr. Vincent Vanderpool-Wallace, former Minister of Tourism for the Bahamas was among the conference speakers. He made a presentation on the topic, *"Tourism Outlook-Challenges & Opportunities"*.

Ms Jasmine Davis, President of BICA was appointed Director for the Bahamas to the ICAC Board and Mr. Reece Chipman, Secretary of BICA was appointed as Alternate Director for the Bahamas to the ICAC Board.

Ms Davis was also elected ICAC Vice President at a meeting of the ICAC Board of Directors held on June 27, 2013 immediately following the 25th Annual General Meeting of the ICAC.

Institute of Chartered Accountants of Barbados

Annual General Meeting

The 39th Annual General Meeting of the Institute of Chartered Accountants of Barbados (ICAB) was held on May 30, 2013 at the Hilton Barbados Resort. The Council for the period 2013–2014 is as follows:

| | |
|---------------------|------------------|
| David Simpson | – President |
| J. Roger Arthur | – Vice President |
| Rueben Blenman | – Treasurer |
| Felton Burton | – Secretary |
| Karol Ashby | |
| Andrew Brathwaite | |
| J. Betty Brathwaite | |
| Gregory Cummings | |
| Winsmore Humphrey | |
| Lois Jones | |
| William Layne | |
| Bruce McClean | |
| Hanif Patel | |
| Dennis Shemeluck | |
| Philmore Thorne | |

Following the AGM, a presentation entitled, “*Improving Business Facilitation*” was delivered by the Hon. Donville Inniss, Minister of Industry, International Business, Commerce & Small Business Development.

Policy/Advocacy

Meetings with Government

On April 8, 2013, representatives of ICAB met with Minister of Industry and Commerce, the Hon. Donville Inniss and Permanent Secretary in the Ministry, Ms Sonia Foster. The matters discussed related to the need for improved business facilitation, competitive challenges facing the international business sector, proposed amendments to the Companies Act, and the support regime for small businesses.

On April 24, 2013, representatives of ICAB met with Minister of Finance, the Hon. Christopher Sinckler and his Deputy Permanent Secretary in the Ministry of Finance & Economic Affairs, Ms Nancy Headley. The meeting provided an opportunity for an exchange of views on the state of the economy and the identification of strategies to engender growth.

On May 9, 2013, the Ministry of Finance & Economic Affairs convened a meeting to gather private sector input into the proposed new Medium Term Growth and Development Strategy. All private sector associations attended. ICAB was represented at the meeting by the President, Immediate Past President and Executive Director.

Social Partnership

The sub-committee of the Social Partners met on March 22 and April 21, 2013. ICAB’s President and Executive Director attended the meetings which discussed several matters including the National Tourism Host Programme; the economy; lay-offs in the private sector; and the presentation on the work of the

Auditor General.

On May 8, 2013 the Prime Minister of Barbados, the Hon. Freundel Stuart along with representatives of the private sector and the labour movement signed a one-year extension to Protocol VI and agreed to commence negotiations for Protocol VII. The full Social Partnership held its first meeting under the extended Protocol VI on May 24, 2013 at the Hilton Barbados Resort. The meeting was chaired by the Prime Minister and focused on the economy as well as reports from the Action Teams. It was agreed that there would be a National Consultation on the Economy on June 27, 2013.

IFAC Member Body Compliance Programme

The ICAB SMO Action Plan update required for IFAC’s Member Body Compliance Programme was approved by IFAC and published on IFAC’s website at the end of March 2013. The next update is due in April 2014.

ICAC 2013 Caribbean Conference Planning Committee

The ICAC 2013 Planning Committee held its monthly meetings as scheduled for February, March and May 2013 to finalise plans for the ICAC Annual Conference held over the period June 27-29, 2013 at the Hilton Barbados Resort.

CPD Activities

The following CPD events were hosted by ICAB:

- The *Annual Tax Update* Seminar on February 13, 2013 at the Hilton Hotel.
- Two *Intermediate Excel Workshops* held at the BIMAP Training Facility on March 6 and 13, 2013.
- A workshop on *Presentation Skills* held on April 10, 2013 at the Accra Beach hotel. The presenter was Mr. Ryan Oneal of BIMAP. The session covered communication skills as well as PowerPoint.
- A workshop on *Practice Management, Risk Management, and Corporate Governance* held at the Accra Beach hotel on May 7, 2013. The presenter was Mr. Anthony Pierre of Deloitte Trinidad & Tobago.

Student Outreach

ICAB’s President presented the annual ICAB scholarship (Bds. \$3,500) to Ms Cherise Dawson on April 2, 2013 at the annual UWI Scholarship Awards Ceremony held at the Cave Hill Campus.

ICAB provided financial and logistical support to the Accounting Students Association (ASA) of UWI Cave Hill as it celebrated its week of activities during the period March 24-28, 2013. The theme for the week was “*Pride in the Profession*”. Some members of ICAB’s Council attended the ASA Cocktail Reception on March 26, 2013 and the ICAB President addressed the members of the ASA at a session on March 28, 2013.

Institute of Chartered Accountants of Belize

Institutional Strengthening

Updates to the Institute of Chartered Accountants of Belize (ICA-Belize) By-laws have been completed and will be presented to the membership at the 29th Annual General Meeting scheduled for August 28, 2013.

A strategic planning committee has been established to commence preparation of the Institute's strategic plan for 2014- 2017.

Membership

Total ICA-Belize membership was 56 as at June 2013.

Student membership has shown significant growth with ICA-Belize having a total of 52 student members as of June 2013. Two students also completed their ACCA qualifications in June 2013 and have applied for membership within the Institute.

Institute of Chartered Accountants of the Eastern Caribbean

ICAEC Dominica branch

As a way of improving and strengthening the relationship between the accounting profession and the general public, ICAEC Dominica branch President, Orlando Allan Richards and member Gerald Smith participated in the official launch of the Junior Achievement Program held in April 2013. Orlando Allan Richards and Gerald Smith currently serve on the Junior Achievement Dominica Board with Mr. Richards holding the position of Chairman of the Board.

ICAEC Grenada branch

The ICAEC Grenada Branch Council meeting was held in March 2013 and focused on the scheduling of a general members meeting for April 22, 2013 to discuss and get feedback on the Operations Manual guidelines prior to the EBBC/World Bank workshop held May 27-31, 2013 in St. Kitts. The general meeting was held at the Coyaba Beach Resort on April 22 to review and discuss the proposed ICAEC Operations Manual and By-Laws.

Additionally, in keeping with the mandate of the articles of the Institute, a list of all members was published in the local newspapers during the first week of May. The training schedule for the year which would include sessions on IFRS for SMEs, VAT and Excel was planned. It was agreed that efforts would be made to increase awareness of the Institute among the Grenada Inland Revenue Department and to seek representation on the Inland Revenue Appeal Committee.

ICAEC St. Kitts/Nevis branch

On May 16, 2013 the St.Kitts/Nevis Branch held an IFRS for SMEs training. The topics covered were: Property Plant and Equipment, Statement of Financial Position and Presentation of Financial Statements. The presenters were all members of the Institute who were trained under the World Bank Train the Trainers programme held in 2012.

ICAEC St. Lucia branch

During the period under review, much time was spent improving our administrative systems to allow for efficient updates of our member database, communications and fee collections. In addition the AGM was held and Council was very involved in matters of economic interest.

Annual General Meeting

The ICAEC –St. Lucia branch held its Annual General Meeting on March 20, 2013. Members were advised of the activities

undertaken by the branch and in particular the work that had been completed to date regarding the Institutional Capacity Building of the ICAEC. This initiative is being funded by The World Bank for which the Eastern Caribbean Central Bank (ECCB) is the executing Agency. Members expressed satisfaction with the work conducted by the Branch, in particular the efforts made to maintain constant communication with members.

Involvement in Matters of Economic Interest

The members of the St. Lucia branch of the ICAEC allowed their voices to be heard when they issued a press release entitled, "Let Good Sense Prevail" in response to industrial action taken by the country's Civil Servants in the form of a "sick out" earlier in the year. This action was due to an inability by the parties to reach a settlement in relation to the current wage negotiations taking place between the Government Negotiating Team and the Trade Union Federation. Following the release, a press interview was held with branch President, Andrea St. Rose. The salary negotiations have subsequently been resolved, with one Union proposing to accept a 0% increase over the period under review.

The Ministry of Commerce solicited the assistance of the ICAEC-St. Lucia branch to conduct a regional review with respect to the financial reporting requirements in other CARICOM jurisdictions. The aim of the study is to provide an informed basis for raising the level of financial reporting provided to various government institutions as well as to enhance the confidence of banks and financial institutions including consistency in the financial information that is provided across institutions. This is in response to the high level of default by customers. Branch PRO Brenda Williams leads this initiative and is being supported by members of Council.

Earlier this year, the Government of Saint Lucia responded to the fall in the island's world ranking on the guide for doing business, by establishing a committee whose task is to provide feedback regarding improvements in St. Lucia's world ranking. The St. Lucia branch was invited to provide input and is now represented by Branch President, Andrea St. Rose on the forum set up by the Ministry of Commerce to improve St. Lucia's world ranking.

Council Member, Brenda Williams has been elected to serve on the Board of The Saint Lucia Chamber of Commerce. Council Member, Joanne Cooper has also been elected to serve on the Integrity Commission in St. Lucia.

General

A joint ICAEC/World Bank workshop for accounting and audit professionals in the Eastern Caribbean Currency Union (ECCU) was held at the ECCB Headquarters, St Kitts and Nevis from May 27 – 31, 2013 as part of a World Bank sponsored project to strengthen accounting and accountability in the region. The Business Plan which would facilitate the sustainable growth and development of the Institute of Chartered Accountants of the Eastern Caribbean (ICAEC) was finalised and over 70 members from all the branches of the ICAEC including members from St. Vincent and the ECCB were trained in the understanding and application of the International Standard on Quality Assurance 1 (ISQC1).

It was agreed that the final changes to the Business Plan, based on feedback received at the workshop, May 27 and 28, will be made and the plan disseminated to members of the Institute by the end of July 2013. With respect to the Operations and Quality Assurance Manual, the participants concluded that the manual would raise the standard of the profession in the Eastern

Caribbean and would serve as a working document to guide practitioners as they prepare and audit financial statements. The ISQC1 workshop addressed the standard for accounting and audit practitioners in the performance of audits and reviews of financial statements, and other assurance and related services engagements. The areas covered included: the System of Quality Control, Relevant Ethical and Human Resources Requirements and Standards for Engagement Performance.

The participants expressed a great sense of satisfaction with the quality of the workshops and the value that was added to their professional capacity in their thrust to enhance corporate governance and in the conduct of business in the ECCU.

Speakers at the workshops included Mrs. Jennifer Nero, Managing Director of the ECCB; Sir. K. Dwight Venner, Governor of the ECCB; consultant Professor Zeljko Sevic and Mr. Frank Myers, President of the Institute of Chartered Accountants of the Eastern Caribbean. The workshop was hailed as a success.

Institute of Chartered Accountants of Guyana

Council 2013 – 2014

The Institute held its 47th Annual General Meeting at its Secretariat in Georgetown on Monday, March 25, 2013. The following persons were elected to serve during the 2013 / 2014 year:

| | |
|--------------------------|----------------|
| Mr. Ronald Alli | President |
| Mr. Colin Thompson | Vice President |
| Mrs. Pramila Persaud | Secretary |
| Mr. Vishwamint Ramnarine | Treasurer |
| Mr. Paul Chan-A-Sue | |
| Mr. Ramesh Lal | |
| Mr. Harryram Parmesar | |
| Ms Shelliza Yusuf | |

Membership and Graduate Students

During this period two persons were admitted to membership, bringing the total number of members of the Institute to 81.

The Council has taken pro-active measures to ensure that 80 affiliates satisfy the requirements for membership and enroll as members of the Institute during the current year.

Practice Monitoring

The visit cycle adopted by ICAG was six years – being 2009 to 2014. At the end of December 2012 the first set of early follow-up visits within the two year period 2011–2012 was completed. The second set of follow-up visits for the two year period

2013–2014 has commenced.

The impact of the revised statement 1 of IFAC's Membership Obligation to the Institute's quality assurance review programme of all firms or partners performing audits of financial statements is being reviewed with particular emphasis on the requirements for a three year maximum cycle for firms performing audits of financial statements of public interest entities. The implementation date for the revised SMO 1 is January 1, 2014 which will cover the final year of the audit monitoring programme being undertaken by ACCA. The implication of this overlap is also being assessed.

National Development

Members in practice attended a meeting with officials of the Central Bank of Guyana regarding Technical Assistance - Financial Sector and Strengthening Initiative (First Initiative): Company Accounts, Forms and Documents for the proposed amended Insurance Act. Further meetings are to be requested with the Central Bank to also discuss other amendments to the proposed Insurance Act.

The President and Vice-President met with Mozammal Hoque, Senior Financial Management Specialist, World Bank during a visit to Guyana. There was general discussion on the status of the accountancy profession in Guyana and the role of the Institute of Chartered Accountants of Guyana as the regulatory body

Institute of Chartered Accountants of Jamaica

Introduction

In keeping with its mandate, the ICAJ continues to play a major role in the professional development of its members, students as well as non-members who are involved in accounting and other related fields.

Continuing Professional Development

- A workshop on '**Forensic Accounting**' was held on March 23, 2013 at the ICAJ Secretariat, focusing on the importance, uses and benefits of forensic accounting to organisations and individuals, as well as the techniques used in forensic accounting/audit examinations. The event was facilitated by Mr. Collin

Greenland, Forensic Accountant. A Repeat Workshop was held on April 27.

- ICAJ and the National Integrity Action (NIA) successfully staged a joint forum on April 11, 2013 at the Knutsford Court Hotel, under the theme, **‘Combatting Corruption – The Role of the Professional’**.
- Support was provided by ICAJ for ACCA’s Audit Roundtable, **‘Audit Integrity: Maximising Stakeholder Value’** which was held on April 19, 2013 at the Knutsford Court Hotel.
- A Seminar on **‘Taxation’** was hosted by ICAJ on May 8, 2013, at the Jamaica Pegasus Hotel. The session examined new and amended taxation-related measures from the 2013/14 National Budget Presentation.
- ICAJ staged a seminar on **‘Effective Corporate Governance with a Public Sector Emphasis’** on May 14, 2013, at the Jamaica Conference Centre. Topics discussed were, *Corporate Governance: The International Perspectives; The Corporate Governance Framework - Principles and Practices; Governance Trends in Local Government; Public Sector Procurement and Enterprise Risk Management*.
- ICAJ and the Institute of Internal Auditors (IIA) held a joint forum on **‘Driving Business Performance through Internal Audit’** on May 21, 2013, at the Knutsford Court Hotel. The topics presented were, *Overview of Internal Audit Best Practices; Relevance of Internal Audit and Enhancing Corporate Governance*

through the Internal Audit Function.

Student Development

ICAJ/ACCA Revision Session

ICAJ in association with ACCA hosted a Revision Session on Performance Management (F5) and Financial Reporting (F7) on May 17, 2013 at the ICAJ Secretariat. The Facilitator was Mr. Nagin Lad of Nagin Lad Accountancy College in the United Kingdom. A total of 71 students participated.

Career Expositions

ICAJ also participated in the Ministry of Education’s National Mathematics Expo held on March 6, 2013 and the Wolmer’s Boys’ School Career Day which was held on March 8, 2013.

Strategic Planning Retreat

In the face of a challenging economic environment, ICAJ held a Strategic Planning Retreat on April 6, 2013, involving short- and medium-term strategies for income generation as the Institute seeks to chart a sustainable course for the future.

George S. Willie Resource Centre

Located at the ICAJ Secretariat, the George S. Willie Resource Centre was established in 2011 to assist members, students and the general public with research needs. The Resource Centre currently provides Internet access and publications in accounting, auditing and taxation for research purposes. ICAJ is exploring the cost sharing of subscription for the EBSCO database - *Accounting & Finance Learning Centre* - with ICAC members to enhance its electronic resources.

Institute of Chartered Accountants of Trinidad & Tobago

Stakeholder Focus

In March, the Institute of Chartered Accountants of Trinidad & Tobago (ICATT) received a copy of the draft Report of Standard of Compliance (ROSC) for Trinidad and Tobago. This report was prepared by a World Bank team headed by M. Mozammel Hoque, Senior Financial Management Specialist, Latin America and the Caribbean Region. ICATT expended a significant amount of time and resources assisting the World Bank team and the Ministry of Finance towards the preparation of this report.

Also in the month of March, ICATT completed a template for use by External Auditors in executing their obligations under Regulation 10 (2) (a) of the Financial Obligations Regulations 2010. This project was initiated by the Supervisory Authorities (The Central Bank of Trinidad and Tobago, the Financial Intelligence Unit of Trinidad and Tobago, and the Trinidad and Tobago Securities and Exchange Commission) under the relevant Anti Money Laundering laws and regulations. The objective is to ensure that all External Auditors submit a standard report to the regulators using this template.

On March 25, ICATT’s General Manager met with Mr. Sam Weller, the Executive Director of the Government Finance Officers Association of British Columbia (GFOA of BC). Mr. Weller was in Trinidad working on a project sponsored by The Federation of Canadian Municipalities (FCM). He is also involved with training members of the GFOA in the implementation of Public Sector Accounting Standards in BC. A decision was taken at this meeting to conduct two IPSAS training in the month of November, 2013. The training will be held in Port of Spain, Trinidad and Scarborough, Tobago. Mr. Ron Salole who initiated the first training seminar in March 2012 will assist with this venture.

Later in the month a meeting was held with our stakeholder’s Schools Administrators representing the Approved Learning Partners (ALP) and ACCA to discuss matters of mutual interest. The month concluded with The Schools’ Annual Cricket Competition held on March 30, 2013. Teams from Omardeen’s School of Accountancy, School of Business and Computer Science (SBCS) and Student Accountancy Centre (SAC) participated with Omardeen’s being the overall winner and SAC as runner-up.

During the month of April, ICATT completed drafting a template entitled, “Anti-Money Laundering / Combating the Finance of Terrorism (AML /CFT) Compliance Programme” for use by ICATT’s practicing members. This template was issued to members for reporting to the Financial Intelligence Unit of Trinidad and Tobago.

On April 15, 2013, ACCA with the participation of ICATT hosted an Audit Roundtable on the topic, *Audit and Integrity: Maximizing Stakeholder Value*. This event was held at the Hilton Trinidad and Conference Centre and Ms Stacy Ann Golding represented ICATT. Her presentation was entitled, *“Do audit firms need to do more to improve the consistency of performance of individual audit engagements?”*

On April 18, 2013, ICATT’s General Manager met with Mr. David Green, the Business Development Manager at the Trinidad and Tobago Stock Exchange (TTSE). The TTSE agreed to work with ICATT to bring more companies to the equity/debt markets. The objective is to build the relationship with ICATT, specifically with the small and medium practitioners, member firms and by extension, the audit clients, to identify companies that are seriously interested in pursuing the existing opportunities within

the markets.

ICATT's Executive Committee, representatives of the Central Bank of Trinidad and Tobago and Credit Union representatives met on May 3, 2013. The major topics discussed were the challenges and issues facing the Credit Union in terms of the deadline for filing audited financial statements with the Central Bank of Trinidad and Tobago. Suggestions proposed were: promoting staggered year ends among credit unions; training to be provided by ICATT to the credit union sector and classifying credit unions into large, SMP and small to match the scope of the audit.

Membership

For the period of February to May 2013, ICATT recorded growth of 20 new members and two members in practice. The Institute continues to engage in dialogue with our members through e-surveys and seminar evaluations to keep abreast of their needs and also improve our standard of service to all members.

Operational Updates

ICATT is engaged in the continuous and consistent update of the website in order to better service our stakeholders and members. At present ICATT is working with Scotiabank regarding the re-introduction of e-payment facilities using the website. Currently, a separate web page is published for each CPD activity or event to effectively and easily share information. Participants attending CPD events are provided with the technologically modern and environmentally friendly opportunity to download presentations from the website. Additionally, if members and non-members are unable to attend a CPD event/workshop the information can subsequently be accessed from the website

In an attempt to improve the organizational structure of ICATT

an overhaul of the Human Resource Management Function was pursued. The documentation phase was completed on April 10, 2013. The implementation stage is presently in progress and the project is scheduled to be completed July 31, 2013.

Continuing Professional Development

In March 2013, ICATT hosted the annual *Two Day Taxation Workshop* facilitated by Mr. Rupert Gooding, Chartered Accountant, Tax Consultant & Attorney at Law. Two sessions were held covering the northern and southern areas of Trinidad. An additional Workshop was held on April 17 & 18.

A soft skills CPD workshop entitled *A Look in the Mirror* was hosted by ICATT on April 30, 2013. This soft skills workshop targeted not only professional accountants, but was also geared towards developing coping mechanisms for dealing with conflict in the workplace and team building efforts. The Facilitator for this event was Ms Janice Learmond-Criqui, a highly sought-after Life Coach.

On May 14 and 15, there was a collaborative effort between Global Expert Systems (GES) from Barbados and ICATT. The quality of the event and expertise of the speakers provided a wealth of knowledge for those who attended.

Concluding May 2013 ICATT joined forces with the Network of Non-Governmental Organizations of Trinidad and Tobago and held a one-day seminar entitled, *Financial Accounting and Reporting for NGOs*. The knowledge transferred was well received by all individuals present.



ANTI-MONEY LAUNDERING: LAW AND PRACTICE

ICAEW support for those subject to increasingly wide ranging and rigorous requirements.

- We work with government and regulators to review and clarify requirements.
- We provide guidance on UK and international law and regulation.
- We were recently invited by the Financial Action Task Force to review the FATF Risk based approach guidance for accountants.
- We supervise 13,000 member firms and UK based members of the Global Accounting Alliance.
- We provide an anti-money laundering service throughout the world for businesses, firms, not for profits and individuals to take the risk and pain out of compliance.

For more information about the ICAEW anti-money laundering (AML) service, visit icaew.com/aml

DOING THE RIGHT THING, THE BEST WAY



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World Congress of Accountants 2014 to be held in Rome

Plans are now in gear for the next World Congress of Accountants which is set to take place November 10-13, 2014 in Rome at the magnificent Auditorium Parco della Musica, designed by Italian architect Renzo Piano.

The theme chosen, “2020 Vision: Learning from the Past, Building the Future” aims at observing the past experiences and developing a new vision for the future.

WCOA 2014 will explore the evolution and showcase the innovations that will shape the future of the accountancy profession. The event offers a unique opportunity for accountancy professionals to leverage on past experiences and to develop a new vision for the future.

The WCOA 2014 will also be a valuable showcase for all the institutes and firms wishing to share their projects and visions with other accountants, professional associations, firms, and international organizations.

Rome and Italy offer a unique opportunity to experience one of the most important historical places in the world, through immersion into art, cuisine and music. Join more than 130 institutes and organizations from across the world to participate in an unforgettable experience.

For registration and further information, visit www.wcoa2014rome.com or contact info@wcoa2014rome.com.

FATCA AND ITS IMPLICATIONS Cont'd from pg. 8

Registration

FFIs can register for FFI status through an IRS online registration system. The paperless process uses a secure online web Portal accessible from anywhere in the world. For those entering into an FFI agreement, the process will also be completed in the registration. QIs will be required to renew their QI status by registering as FFIs. The Portal will facilitate electronic communication between the IRS and registrants. Within the system, FFIs will identify certain key persons e.g. Responsible Officer (RO); Point of Contact (POC) and Authorized Third Party (ATP). The Secure portal will be available 24/7 from August 19, 2013. From the opening of the registration portal through December 31, 2013, FFIs may enter information in the registration portal, although this information will not be regarded as a final submission until on or after January 1, 2014. On or after January 1, 2014, FFIs will be able to enter the registration portal and finalize their submission. The IRS will electronically post the first IRS FFI list by June 2, 2014 and will update the list on a monthly basis thereafter. Accordingly, FFIs must finalize registration by April 25, 2014. On registration FFI will obtain unique Global Intermediary Identification Number (GIIN). which will be applicable to all members of a particular group. A registered FFI will get automatic email notifications of other FFI status changes or relevant developments under FATCA. FFIs IRS accounts will be capable of being accessed so changes can be made. Once an FFI home country signs a Model I IGA, this said registration will not be for the purpose of reporting but as a manner of verifying that that country's FFIs are “deemed compliant” and therefore not liable to the 30% withholding penalty.

Intergovernmental approach (IGA) – An Alternative Approach to FATCA

As alluded to, FATCA has three core elements namely (1) enhanced financial due diligence (2) broader reporting of financial assets of US persons abroad and (3) a withholding tax on US source income and capital of FFIs not registered, compliant or exempt under FATCA. The US government has asserted that to relieve administrative burdens, FATCA will build on existing systems for the exchange of information under Double Taxation Agreements (DTAs) and Tax Information Exchange Agreements (TIEAs).

A number of mechanisms have been developed to guide FATCA operations. These include model IGAs and their annexes. In brief there are two types of Model I agreements, a reciprocal version and a non-reciprocal version. Under both types of Model I agreement, the competent tax authority of particular jurisdiction collects information on US account holders from its FFIs and transmits the information to the IRS. Under the reciprocal version the IRS would collect and provide financial account information on Caribbean persons in the US to the respective Inland Revenue Department of Caribbean country. Pursuant to a Model II agreement, the FFIs of a particular country will transmit the aforementioned information to the IRS directly while the competent tax authority performs a monitoring role.

Legislative enactment will therefore be necessary for two reasons namely: to give life and domestic enforceability to what is in effect an agreement between nations; and as a method of derogating from the common law rule of Banker/Customer confidentiality.



We see opportunities

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We see more than numbers.