

Program Report on

CELEBRATING 26 YEARS OF PROFESSIONAL EXCELLENCE



National Conference on Role of Professional Accountants in Shaping Economic Growth of Nation & Annual Day Celebration



नेपाल चार्टर्ड एकाउन्टेन्ट्स संस्था
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL
(Established under the Nepal Chartered Accountants Act, 1997)

Organized on 31st January 2023 (2079 Magh 17)

**National Conference
on
Role of Professional Accountants in Shaping Economic Growth of Nation
and
Annual Day Celebration**

The Institute of Chartered Accountants of Nepal (ICAN) organized a program consisting of a half day **National Conference on “Role of Professional Accountants in Shaping Economic Growth of Nation”** and **Annual Day Celebration** to mark its 26th Anniversary on 31st January 2023 at Everest Hotel, New Baneshwor, Kathmandu, Nepal. **First session of the program was National Conference seconded by Annual Day Celebration.**

First Session: National Conference

Inaugural Session

The conference started with welcome remarks of CA. Bhaskar Singh Lala, President, ICAN. Whereby, Former Finance Minister, Dr. Yuba Raj Khatiwada was the Chief Guest and Keynote Speaker in the theme of the Conference. Delivering the Keynote Speech, Dr. Yuba Raj Khatiwada emphasized on need for capital formation and foreign direct investment for sustainable economic development of nation and added the responsibility of professional accountants for promoting transparent and accountable financial reporting system. He also focused on diversified role of professional accountants in Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT), Information Communication Technologies (ICTs) and Corporate Governance. He further stressed on the need for improving the regulatory function of the Institute and ensuring members are always abided by Code of Ethics and professional values. Lastly, he extended his best wishes for successful conduction of the conference and its thought-provoking technical sessions.



*CA. Bhaskar Singh Lala, President-ICAN
delivering Welcome Remarks*



*Dr. Yuba Raj Khatiwada, Former Finance Minister
delivering Keynote Speech*

The National Conference was organized in two technical sessions; the brief outline of which has been mentioned below:

Technical Session 1: Role of Accounting Profession on National Revenue and GDP

The session was Chaired by Dr. Ram Prasad Ghimire, Secretary (Revenue), Ministry of Finance and CA. Yuddha Raj Oli, Immediate Past President, ICAN acted as a session Moderator. It started with the brief introduction of session Chair and Panelist by the Moderator. The session Chair gave his remarks on the note that Accounting is not limited to numbers but is related with policies, program, vision and strategic plan and Institute has significantly contributed for development of accounting profession in Nepal. The session afterwards had a paper presentation, panel discussion and question answer.

Paper Presentation

Dr. Biswash Gauchan, Executive Director and Director of the Center for Economic Policy in IIDS started his session with the presentation on “**Role of Accounting Profession on National Revenue and GDP**” highlighting the current economic trends and indicators. He focused on the role of professional accountants as an advisor in formulation of budget, fiscal and monetary policy of the government. He also added that the professional accountants have vital role in enforcement of tax laws, assessment, and collection of taxes, identifying and addressing tax evasion and fraud, financial reporting and budgeting and other initiatives to generate revenue for the government. Moreover, he explained about the challenges related to government revenues and challenges due to rising government expenditure. Adding to it, he briefed about the historical macroeconomic outlook of Nepal, and further stressed on the fact that the remittance, credit, import, and land price are the factors that have shaped our current economy. Way forward, he suggested the reforms needed to restructure the economy for higher economic growth and generation of employment including the involvement of Professional Accountants in the Public Sector.



Paper Presentation on “Role of Accounting Profession on National Revenue and GDP”

The presentation can be accessed from the link below:

https://en.ican.org.np/browsable/file/general/Role_of_Accountanting_Profession.pdf

Panel discussion

After the paper presentation, a panel discussion was held on the topic. The panel members in the session were as thus:

S. No.	Name of Panelist	Designation
1.	Mr. Kewal Prasad Bhandari	Member Secretary, National Planning Commission
2.	Mr. Dirgha Raj Mainali	Director General, Inland Revenue Department
3.	Mr. Shekhar Golchha	President, Federation of Nepalese Chamber of Commerce & Industries
4.	CA. Narendra Bhattarai	Past President, ICAN

Moderator started panel discussion and requested Mr. Kewal Prasad Bhandari to make light on matters regarding the perception of Government Sector towards the accounting profession in course of budget formation, revenue collection and national GDP. In response, Mr. Bhandari highlighted that Government has been employing professional accountants in various offices including Office of Auditor General and Financial Comptroller General which has been providing major roles to the accountants in budget formulation and overall GDP of the nation.

Mr. Dirgha Raj Mainali spoke about the changes observed in tax revenue over the period of last 26 years. He added that the contribution of tax revenue in GDP over the period of last 26 years has increased from 9% to 22% and accounting profession has contributed for attainment of this reform. He also added that, a pictural view of growth in the number of Chartered Accountants and growth in the contribution of accounting professionals in GDP would further support the statement. He highlighted on responsibility of professional accountants as first tax officer. Way forward, he added that the process has been initiated to expedite the pending cases lodged in the revenue tribunal.

Mr. Shekhar Golchha, stressed that the contribution of private sector in the revenue and GDP is significant however, policies need to be developed and implemented to incorporate informal and unorganized sector in tax bracket. And, further added that Government should have focus for strengthening revenue tribunal and judiciary system for effective tax management system.

CA. Narendra Bhattarai outlined the ease that has been built up due to digital transformation in tax administration system. He suggested on finding out the mechanism for minimizing government's recurring expenditure that might give some cushion for nation reserve in-order-to cope with this economic hardship.

Question and Answer

The panelist also responded to the questions from the Participants concerning national economic issues, policy drives to address them, tax administration issues and the role of professional accountants centered around them as under:

Q: What is the concern of Inland Revenue Department regarding increasing number of business closure in recent days?

A: Currently, the system of registration and closure is designed in a way of easy to entry and hard to exit. Recently, the IRD and Office of Company Registrar have been working to facilitate business for easy entry as well as closure process.

Q: What are the measures undertaken by IRD for ensuring reliability and facilitating easy tax payment to pay Digital Service Tax (DST) as incorporated by recent Finance Act 2079?

A: The Inland Revenue Department has developed DST procedures for facilitating taxpayers and ensuring reliance on tax that shall ease the payment process and facilitate taxpayers.

Q: Next question was raised on view of involvement of professional accountants for realistic budget formation and effective budget implementation. Further the opinion on matters relating to auditor's responsibility was sought.

A: The role of accounting profession is vital for Government Sector as well. Professional accountants shall perform their duty within the standards and code of ethics. And there is a need for a strengthen regulatory mechanism to regulate the accounting profession as well.

Session Chair Remarks

Lastly, the Chair of the Conference summed up the key deliberations of the panelists and highlighted government's support to ICAN for integrating the role of professional accountants in the economic development of nation.



Panel Discussion on “Role of Accounting Profession on National Revenue and GDP”

Technical Session 2: Accounting Profession for Enabling Corporate Governance

The session was Chaired by Mr. Ramesh Kumar Hamal, Chairperson, SEBON and CA. Madan Krishna Sharma, Past President, ICAN acted as a session Moderator. It started with the introduction of session Chair and Panelist by the Moderator. The session Chair delivered his remarks outlining the G20 and OECD standards essential for corporate governance that is based on three pillars, i.e., trust, transparency and accountability and focused on its implementation. The session had a paper presentation, panel discussion and question answer.

Paper Presentation

Mr. Resham Raj Regmi started the session with the presentation on “**Accounting Profession for Enabling Corporate Governance**”. He began by providing the understanding on corporate governance which means basically about promoting corporate fairness, transparency and accountability through disclosures. He explained about principles of corporate governance by different perspectives like OECD, ADB and Basel Committee. He also focused on disclosures requirements as per OECD. Adding to it, Mr. Regmi elaborated the role of accounting professionals whether they are in practice, industry, business advisory or consulting services, each of which has a role to play in enabling corporate governance. He emphasized the disclosures and transparency aspect of corporate governance where the role of professional accountants is crucial. He highlighted the list of legal instruments that links corporate governance and accounting professions. Way forward, he emphasized on integrity of financial reporting and disclosure requirements for ensuring corporate governance on the part of accounting professionals.



Paper Presentation on “Accounting Profession for enabling Corporate Governance”

The link for the presentation is as thus:

https://en.ican.org.np/browsable/file/general/Accounting_Profession_for_Enabling_Corporate_Governance.pdf

Panel Discussion

After the paper presentation, a panel discussion was held on the topic. The panel members in the session were as thus:

S. No.	Name of Panelist	Designation
1.	Mr. Sunil KC	President, Nepal Bankers Association
2.	Mr. Vishnu Kumar Agarwal	President, Confederation of Nepalese Industries
3.	CA. Rajan Singh Bhandari	Chairperson, Citizens Bank International Ltd.

Moderator started the session requesting CA. Rajan Singh Bhandari to provide light on adequacy and perception towards the accounting profession in contributing to the effective functioning of the board in discharging the role of maintaining corporate governance. In response, CA. Rajan Singh Bhandari briefed about the valuable role of accounting profession in maintaining corporate governance in highly regulated environment with compliance to various laws and regulations.

During the discussion, Mr. Vishnu Kumar Agarwal spoke about the changes observed in turnover of business over the period of years that has been possible only through exercise of corporate governance. Further, he added that the one who wants to grow must practice delegation of authority. He emphasized on corporate governance being essential for social recognition along with the practical challenges faced during implementing corporate governance.

Mr. Sunil KC explained the role of Chartered Accountants on banking sector along with the implementation stage of NFRS and focus on ethical business practices for sustainable growth. He added that the formation of Board of Directors should be in line with the vision and mission of the organization as Board of Directors is ultimate responsible for corporate governance.

Question and Answer

The participants raised few questions related to governance system specially focusing on the regulated sector like BFIs and the Panelists responded to them as follows:

Q. First question was related to the state of corporate governance in cooperative in Nepal.

A. There is the need for defining clear provision regarding the regulator of the cooperatives business. The behavioral difficulty has led to poor corporate governance in cooperative sector.

Q. Next question was raised on conflict between Banks and Private sector in repayment of loan.

A. The interest on loan should be fixed on demand supply basis between Banks and Private Sector. The problem is addressed when Government of Nepal play the role of mediator between Bank and Private Sector

Session Chair Remarks

Lastly, the Chair of the Session delivered his insightful thoughts on challenges and importance of corporate governance, and the initiatives taken by SEBON on pronouncing the Corporate Governance Code and its impact and ways forward to ensure the effectiveness of implementation of the Code. He also emphasized on compliance department being independent for incorporating corporate governance and the need to

include private sectors and venture capital in the bracket of corporate governance in-order-to attract foreign investment for the sustainable development of the nation.



Panel Discussion on “Accounting Profession for enabling Corporate Governance”

Vote of Thanks

The conference was concluded with vote of thanks from CA. Sujan Kumar Kafle, Vice-President, ICAN. The conference was attended by 142 participants including members and other stakeholders.

Second Session: Annual Day Celebration

The 26th Anniversary celebration of the Institute was Chaired by CA. Bhaskar Singh Lala, President, ICAN. The Chief Guest of the program was Hon'ble Deputy Prime Minister and Finance Minister, Mr. Bishnu Prasad Paudel whereby, Hon'ble Auditor General Mr. Tanka Mani Sharma (Dangal) and Governor, Nepal Rastra Bank, CA. Maha Prasad Adhikari were the Guest of Honors in the program.

Inauguration

The program was inaugurated by Chief Guest of the program by lighting up the *Panas*. He delivered his speech congratulating the Institute for celebrating its 26 years of establishment and role of the Institute for economic development of the Nation.



Hon'ble Deputy Prime Minister and Finance Minister, Mr. Bishnu Prasad Paudel inaugurating the program

Welcome Remarks

CA. Bhaskar Singh Lala, President, ICAN delivered his welcome remarks and welcomed the Chief Guest, Guest of Honors, Dignitaries and Distinguished Guests, ICAN Past President, Council Members, Members and all the participants in the program. During, his remarks, he highlighted about the key achievements and milestone achieved by the Institute during FY 2078/79. After the welcome remarks by President, CA. Bhaskar Singh Lala, Hon'ble Auditor General unveiled the Institute's Annual Report of FY 2078/79. Immediate Past President, CA. Yuddha Raj Oli also gave his congratulatory speech in the program.



Hon'ble Auditor General unveiling the Institute's Annual Report of FY 2078/79

Similarly, Guest of Honor, CA. Maha Prasad Adhikari, Governor, Nepal Rastra Bank delivered his speech and remembered the contribution of pioneers for establishment of the Institute and stressed on the inevitable role of professional accountants for shaping the economic development of the nation. Likewise, Guest of Honor, Hon'ble Auditor General, Mr. Tanka Mani Sharma (Dangal) also emphasized on maintaining quality of works of auditor and implementation of outcomes derived from various conferences and programs being conducted. During his speech, he also emphasized about the need for robust operation of Institute's regulatory and supervisory function.



CA. Maha Prasad Adhikari, Governor, Nepal Rastra Bank delivering speech



Hon'ble Auditor General, Mr. Tanka Mani Sharma (Dangal) delivering speech

Program Report on *National Conference and Annual Day Celebration*

During the program, the Institute honored five staffs comprising of Mr. Mahesh Chitrakar (Deputy Director), Ms. Samita Dangol (Officer), Mr. Takendra Upadhyay (Officer), Mr. Ram Kumar Nepal (Senior Assistant) and Mr. Anjani Chaudhary (Assistant) in recognition of their outstanding performance with “**Best Staff of the Year**”. Moreover, the Institute also awarded the winners of Chess and Futsal competition organized by the Staff Union of the Institute during celebration of 26th Anniversary. Additionally, the Institute also presented token of love to Mr. Naresh Joshi, photographer of ICAN in recognition of his long-term association with the Institute.



Winners of “Best Staff of the Year” Award

In the program, President, CA. Bhaskar Singh Lala presented token of love to the Chief Guest and Guest of Honors. The program concluded with vote of thanks and closing remarks from CA. Sujan Kumar Kafle, Vice-President, ICAN. The Annual Day Celebration was attended by more than 300 participants including members and other stakeholders.



CA. Sujan Kumar Kafle, Vice-President-ICAN delivering closing remarks