



THE INSTITUTE OF
CHARTERED ACCOUNTANTS OF INDIA
KUWAIT CHAPTER



JAGRUTI

The awakening...



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Editorial Note



Dear Professional colleague,

As we adapt to the new normal in every aspect of our lives, we hope that 2021 will be fresh year with new ambitious goal setting, ludicrous resolution-making, and plotting the route to being our best selves! With all the ups and downs we dealt with last year and still adjusting to ever changing local restrictions, with COVID-19 vaccine been developed, we hope it brings stability to the region and the world at large.

This issue of “Jagruti” will take you through Economic survey and Indian Budget 2021, Goodwill being exempt from tax depreciation in India, upcoming FATCA and CRS reporting for Financial Institution, Importance of Gender Neutrality etc.

The annual Economic Survey analyses trends in various sectors and the factors that impact the Indian economy. In certain respects, it argues for a specific reform. The Indian budgets are based on recommended but non-binding policy changes mentioned in the economic survey. This budget surely emphasis on the government’s focus on three key areas innovation, skill development, and digital governance.

The Finance Bill of 2021 contains amendments to exclude the “goodwill of a business or profession” from those assets which may be depreciated. This amendment being retrospective in nature is likely to affect the depreciation already claimed by taxpayers in earlier years, potentially impose additional financial liabilities on them.

Compliance to FATCA or CRS reporting has become more vital to avoid risk exposure to large tax bills. The article on ‘Upcoming FATCA and CRS Reporting for Financial Institutions in Kuwait’, dwells upon its importance and guides on the information required to be collected and reported.

Gender-neutrality, is the idea that policies, language, and other social institutions (social structures, gender roles, or gender identity) should avoid distinguishing roles according to persons sex or gender. The vivid examples mentioned in the article brings out the perspective of the concept being so easily adaptable in our day-to-day approach.

We round off the issue with two book reviews, The power of your subconscious mind and The Great Gatsby, a glimpse from dairy of KTS, Artwork by talented kids of our members and Word Scramble.

As an update, as you all are aware that ICAI exams were conducted in Kuwait for Nov’20 and Jan’21. 7 students, who appeared in Nov examination have cleared the exams - 2 Final Group II, 1 IPC Group II and 4 in Foundation. We encourage students to opt for Kuwait examination centre for upcoming May 21 exams and urge members to promote and encourage students to appear from Kuwait examination centre.

Please share your feedback and suggestions at editorialboard@icaikw.org. We look forward to connecting with you in our next edition, until then stay healthy, stay safe and have a blessed Ramadan!

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Interview - CA. Atul Gupta

Past President of Institute of Chartered Accountants of India. Board Member of IFAC and XBRL International



How was your journey of holding such a prestigious yet challenging position of President of the Institute of Chartered Accountants of India?

Holding such a prestigious position of world's second largest accounting body was a feeling of pride mixed with gratitude. Such a position comes with the sense of accountability and responsibility towards various stakeholders of our esteemed Institute. It was the aim from the very beginning to meet the expectations of various Stakeholders, be it students, members, regulators, and society at large. Our target was set in advance in the form of an Action plan containing key areas which needed immediate action and reforms.

This tenure was comparatively challenging as the world faced an unprecedented pandemic – COVID-19 due to which everything came at a halt. However, our vision was never to stop or let the pandemic come in the way of continual reforms.

One such challenge was to conduct ICAI examinations amid this pandemic when everyone was scared due to spread of this virus. Keeping in view the safety of students and their family members and rising COVID cases worldwide, May 2020 examination attempt was already postponed and merged with November 2020 examination. There were many apprehensions among the students due to non-conduct of examinations mixed with the fear of getting infected with COVID

virus. We worked day and night, turned this dream of many into a reality by getting to conduct Chartered Accountancy Examinations successfully of approximately 4.7 lakh students globally at 1084 Centers in two instalments/cycle for November 2020 in a safe manner to the satisfaction of all students and their parents. Highest level of safety norms was followed in getting examinations conducted in the safest environment for students so that no student appears the examination with a fear of getting infected. We all witnessed the remarkable unity showed by entire management of the Institute, including various members who volunteered to get the examinations conducted in a safe and smooth manner.

At the end, accomplishing majority of the action plans in these challenging times without stopping for a single day, gives a great sense of satisfaction that we were true to the esteemed position given to us coupled with the responsibility that comes with this position. Many great reforms were brought during this tenure, including We CARE, Virtual Classes, taking ICAI presence in 43 Countries, International Research Award, Digital Learning Hub, SSP and many others.

Running an office in the most distressing times as of COVID, what are the learnings you had and would like to share with each of us, which can help us in future at some point of time?

We have always learnt that one should have the art of converting challenges into opportunities and this is exactly we experienced in the new

normal. In midst of COVID -19 challenges, the digital adaption facilitates beyond boundary participation, virtual learning, online certificate courses, meetings, which not only saved precious time and the resources but also showcase the improved decision making, which is in a way will be the “approach of the future”. COVID-19 taught us that in the era of delimitation of jurisdictions how we can convert our operations “Virtual firms” and can outreach globally.

We can all see how the world has changed in past one year and how new things have emerged. What do you think are the prospects of Chartered Accountancy as a Profession in the coming times?

Since profession of Chartered Accountancy evolves around economic developments, every 10 years we need to learn the “new age jobs” and adapt ourselves. We have come out from era of local jurisdiction to global landscape, digital disruption when low skill and repetitive jobs will be offered by maker checker concept of Block Chain, Artificial intelligence, Robotics, reporting for ESG, data Analytics. I see a very important contribution of Profession at globalized environment and key will be “reskilling our skills for new age jobs”.

“A true leader has the confidence to stand alone, the courage to make tough decisions, and the compassion to listen to the needs of others.” We all truly believe you showed all the leadership skills which each one of us should learn. From where you draw your inspiration. Did you have a goal plan when you had step foot in the office and did you achieve all of it.

I have a long journey within 360-degree eco-system of ICAI and understanding of necessary reforms which various stakeholders are looking for. I used to say, “Necessity is the mother

of Action” and challenges faced were my inspiration. So, Day 1, we shared the Action plan of around 100 such initiatives and develop strategy as Team ICAI. Yes, sudden outbreak of pandemic posed challenges before us, but we changed the strategy and moved everything on ITES that offered us more time to explore new reforms. Being the Second Largest Professional Accounting Organization, we need not only to give “WOW” experience to various stakeholders but also act as a “Thought Leader” for global society. By achieving most of the goals, we feel very satisfied.

We say that the Chartered Accountants are the future CFO’s, CEO’s, Board Members, Company owners etc. But we have all witnessed that they all lack soft skills and presentation. In this rapidly changing world, do you believe that the course pattern should be reformed to groom the students to have these skill sets rather than just focusing on technical skills?

Yes, I used to say, “it’s the attitude not the aptitude that determine one’s altitude”. Technical skills of a Chartered Accountant are proved when he/she crack the toughest evaluation system. Now the success or elevation depends on the soft skills which one develops and carry. While understanding that need, we carve out a new Board in ICAI, “Students Skill Enrichment Board” to devise new strategies. We also started Management Development Program for rankers, Leadership Development program at Centre of Excellence to inculcate the same among fellow members so that desired grooming can be there. Initiating Open bookcase study-based examination in new education scheme launched in 2017 is a step towards that direction and believe very soon most of our papers will follow that path.

ECONOMIC SURVEY AND UNION BUDGET 2021



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Senior Manager Taxation at GSK Pharmaceuticals India

2020 is one year that each one of us will, like to forget as fast as possible. World has seen pandemic of size and effect not seen in the last century. Not only it played havoc on world economies rather it resulted in loss of human lives never witnessed before. It has left many families shattered, economies with negative growth rates, several businesses closed, banking under severe strain of nonperforming assets, millions of people rendered jobless, shrinking demand and huge pressure on various governments to announce doles of unimaginable magnitude to bring the economies back on rails. India was no exception to this. With this in the backdrop Finance Minister Ms. Nirmala Sitharaman presented Budget 2021 on 1st February 2021. The budget is bold and offers a direction for growth and strong intent for reforms. The Finance Minister has focused on six pillars to turbocharge the economy. Budget focuses on the privatization of banks/insurance, increasing FDI limit in the insurance sector, and monetizing the idle assets of Railways and other government departments, disinvestment in public sector undertakings including LIC, agricultural sector, capital expenditure by

government on National Highways and other projects, health care of masses including a significant layout for vaccination for COVID-19, setting up textile hubs, recapitalization of banks, creation of Bad Loan Bank to cleanse the balance sheets of banks, creation of Developmental Financial Institution etc.

Before analyzing the budget, it would be worthwhile to discuss certain salient features of Economic Survey for the year 2020-21. The annual Economic Survey analyses trends in various sectors and the factors that impact the Indian economy. It puts out economic growth forecasts, provides detailed reasons why it believes where the economy is headed. In certain respects, it argues for a specific reform. Finally, the survey recommends policy changes, which are not binding.

Here are the high points of this year's survey.

THE ECONOMY IN NUMBERS:

The survey forecasts the GDP, to contract by 7.7% in 2020-21, before recovering by 10-12% in 2021-22. It is expected to grow at 6.5% in

2022-23 and 7% in 2023-24. This will take the GDP in 21-22 to Rs 149 lakh crore. If one looks at the growth realistically based on March 2019 figures growth works out to 2% to 2.5% only. The lockdown made the economy tank by 23.9%. The contraction leads to tax revenue fall by 12.6%, that is by Rs 10.26 lac crore, while disinvestment targeted at Rs 2.1 lac crore is a piddling Rs 15,220 crore. In the light of all this, the fiscal deficit has gone up, and the government has by now borrowed Rs 10.72 lac crore, which is 65% more than the previous year. Inflation is expected to be exceeding 6%. As per indications Non-Performing Assets in banks would be in the range of 13% - 15% by end June 2021. Agriculture sector is the only one which showed a growth at more than 3% and hence the need to consolidate the same. Also, the government faced the challenge of creating demand through huge public expenditure without much possibility of raising the resources through taxes as in that case it would further result into lesser money in hands of individuals to spend and that would affect the demand adversely.

THE GOVERNMENT'S TAKE

India's policy response to COVID-19 was guided by realizing that GDP growth will come back, but not lost human lives. Early intense lockdown saved lives, helped the faster recovery, and both on COVID-19 cases & deaths, India has done well, as per the government's assertion. The government research showed that one unit increase in population density has a far more significant impact on the pandemic's spread at the onset than later. This is one of the fundamental principles that guided India's policy response. Therefore, India recognized that early lockdown saves more human lives and enables a quicker economic recovery.

MOOD OF THE ANALYSTS

Experts want big ideas to resurrect the economy. There is an urgent need for agriculture reforms, health care, banking, and MSMEs. With the

economy's returning to normalcy, hopes of a robust recovery in the services sector, consumption, and investment have been rekindled. Globally it's acknowledged that India's focus on saving lives paid off. After all, while GDP growth will recover, human lives cannot be brought back.

Let's take a deep dive at the essential budget proposals.

This is an Expenditure Budget:

Considering the sluggish sentiments even before the outbreak and real economic contraction during the pandemic, it was almost inevitable for large outlays on public expenditure. That's the most viable way to make money available in the people's hands. However, one must wait to see the funding aspect since a reliable and disciplined borrowing program is still to be in place.

A Reform Signal: Two public-sector banks and one state-owned general insurance company are up for privatization. FDI in insurance is to increase from 49% to 74%. LIC IPO and many others are in the pipeline. This resonates well with the idea of government steps in where the private sector does terrible and vice versa. Further elected governments are meant for core governance and not for running the business on commercial principles. The latter only adds to the chaos.

No Populism but Focus on Growth: Despite being a challenging year for the Aam Aadmi, the FM has avoided giving any income tax relief - no increase in the standard deduction, no enhanced deductions for any kind of savings and investments, no reduction in tax rates for any income slabs etc. But at the same time there is no raise in the tax rates or imposition of any cess. There have been specific proposals concerning rationalization in compliance, bringing PF and ULIP to tax net, increased insurance cover for term deposits, roll out of investment charter, making available infra

bond as an additional investment avenue, and some relief for NRIs, etc. While some are well appreciated, the budget fell short of expectation in providing genuine sops to the middle class. Thanks to the virus, aggrieved citizens have nothing much to complain about.

Health Gets Its Due: Health allocation jumped 137% to Rs 2,23,846 crore in 2021-22. It's pertinent to note, under the "Vaccine Maitri" initiative, India has pledged to provide corona vaccine to almost all the countries affected by the pandemic. This has been a testimony to India's more prominent role play in the global arena. However, in the domestic environment, the pandemic exposed the state of health care infrastructure at various places, and the expectation is the learnings are not easily forgotten.

Bad Bank – A Good Idea: After dithering for six years, the government has decided to set up an asset reconstruction company to buy the bad loans of banks. Though Bad Bank is expected to facilitate the streamlining, that can't be a solution by itself to get rid of NPA stress on a perpetual basis. Instead, that requires a whole lot of other measures and may be a narrative for another day.

Development Finance Institutions (DFI) Reborn: The idea was dead with earlier DFIs, turning into banks. Now, to provide debt to long gestation projects, a new DFI with a capital of Rs 20,000 crore will have a statutory backing but the need is the same should be professionally managed. It is targeted at mitigating the bad loans challenge in long-term infrastructure projects financing, particularly faced by the lending institutions. The formation of DFI will ensure segregation which in turn leads to smoother loan management between DFI's and Commercial Banks which will be responsible for providing working capital facilities.

Asset Monetization – Will it Gather Pace: This is an ongoing exercise where the government hasn't done much to inspire confidence. Government has set an ambitious target of collecting 1.75 lakh crore through disinvestment.

But it will all depend upon the speed of clearances and, also the right valuations to be obtained for the assets. There is huge potential of monetization of assets of NHAI, PGCIL, Railways, airports, Defense, Shipping. Budget aims at leasing out warehouses, airports, stadiums, railway stations for management to public sector. This may provide significant revenue to govt in the years to come. Details for the same are yet not available. Value unlocking has been the long-cherished aspiration; any tangible action on that front would be rightly justified.

The biggest challenge for the government in the coming year would be to ensure financial discipline in respect of borrowings which have risen sharply during last year, maintaining fiscal deficit under control and let it not exceed about 5%, containing the inflation within reasonable limits, providing impetus to housing sector which in turn can boost cement and steel sectors and above all can generate employment opportunities. Budget also envisages to plug certain loopholes in direct taxes and GST laws. But we sincerely wish that decision of GST Council to withdraw the GST audit on certain unfounded fears of adding to compliance costs and low revenue generation as consequence of audit be reversed in consultation with ICAI.

To conclude, the first paperless union budget underlines the government's focus on three key areas innovation, skill development, and digital governance. The budget has come with encouraging announcements for the healthcare, infrastructure, and innovation. Furthermore, the focus on digital education, re-aligning the existing training programs and partnering with UAE and Japan for skill development will help India produce high-quality digital talent. The proposal to build a world-class fintech hub, digitization of railways, and first-ever digital census, reconfirms the government's emphasis on creating a digital economy. Furthermore, the focus on technology, such as data analytics, artificial intelligence, and machine learning-driven platform to enable e-courts and compliance management, will go a long way in accelerating the nation's digital initiatives.

Goodwill No Longer Eligible for Tax Depreciation in India



CA. Tuhin Chaturvedi

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In this article we will briefly discuss a significant tax-related development which has occurred recently in India relating to the non-eligibility of Goodwill for tax depreciation.

The position per the Indian Income Tax Act, 1961

The Indian Income Tax Act, 1961 (the “Act”) states in Section 32(1) that depreciation may be claimed on:

- (i) tangible assets and
- (ii) intangible assets acquired after April 1, 1998.

Explanation 3 to Section 32(1) states that “assets” shall mean tangible assets and “intangible assets being know-how, patents, copyrights, trademarks, licenses, franchises and any other business or commercial rights of similar nature”. These intangible assets may be depreciated at 25% per annum on a Written-Down Value (WDV) basis. Since “Goodwill” is not specifically mentioned in the above definition of intangible assets, there had been considerable debate on whether Goodwill may be depreciated for tax purposes or not and there had been decisions both in favour of Goodwill’s eligibility for tax depreciation and against it.

The Indian Supreme Court’s decision in Smifs Securities Ltd. in 2012

The Indian Supreme Court (the “Court”) laid this debate to rest in 2012, when it held in the case of Smifs Securities Ltd. (CIT v. Smifs Securities Ltd. [2012] 348 ITR 302 (SC)) that “Goodwill” is included in the “**any other business or commercial rights of similar nature**” and, therefore, may be depreciated in the same

manner as all the other intangible assets which are specifically mentioned in the Act. In its judgement, the Court invoked the principle of ejusdem generis which means that, where in a statute there are general words following particular and specific words, the general words must be confined to things of the same kind as those specifically mentioned. Thus, the general words “any other business or commercial rights of similar nature” should be confined to “intangible assets” and since “Goodwill” is also an intangible asset it should be included in the definition of “intangible assets” in Explanation 3 to Section 32(1) of the Act.

In Merger & Amalgamation (M&A) transactions, the value of Goodwill may be significant and, therefore, the amount of the future tax benefit arising from the ability to deduct it for tax purposes may be material and this benefit may, therefore, be a significant consideration in arriving at the purchase price.

Amendments proposed in the Indian Union Budget of 2021

On February 1, 2021 the Indian Union Finance Minister, Ms. Nirmala Sitharaman presented the Budget Speech. The Annex to Part B of the Budget Speech stated (at Serial No. 17) a proposal to clarify that no depreciation shall be allowed on Goodwill. However, the amount paid



for the acquisition of Goodwill shall be allowed as a deduction for the purposes of the computation of capital gains when Goodwill is sold. The Finance Bill of 2021 contains amendments to Sections 2(11), 32, 50 and 55 of the Act to exclude the “goodwill of a business or profession” from those assets which may be depreciated.

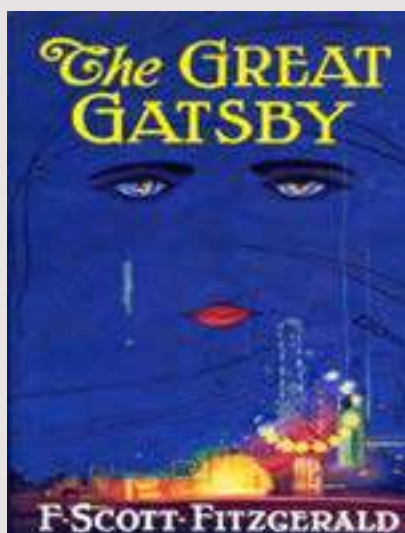
Practitioners’ observations on this development

This change has not been regarded as a positive development by eminent tax practitioners in India who have observed that:

1. It overturns the Court’s decision of 2012 which had established the position that Goodwill should be eligible for depreciation,
2. The Court had issued its decision more than eight years ago and there does not appear to be any sound legal or commercial reason for this amendment,
3. This change has been proposed with effect from April 1, 2020, and thus will apply to the current financial year as well as to goodwill acquired or recognized in earlier financial years since April 1, 1998.
4. Therefore, this change is retrospective in nature, and it is likely to affect the depreciation already claimed by taxpayers in earlier years, potentially impose additional financial liabilities on them and set off fresh rounds of litigation, and
5. The revenue-raising potential of this amendment does not appear to be significant.

The Finance Bill is currently being discussed by the Lok Sabha (the lower house of India’s bicameral Parliament) and we will need to wait for the Finance Bill to be finally approved, to see whether the retrospective nature of this amendment is limited, clarified, or modified or if any other changes are made to this proposed amendment.

“Let us learn to show our friendship for a man when he is alive and not after he is dead.”



The Great Gatsby is a 1925 novel by American writer F. Scott Fitzgerald. This book is part of American literature curriculum and gives you a great chance to travel back in the 20’s era. It clearly shows what dreams can be made up of. The book has deep messages like this one, “All I kept thinking about, over and over, was ‘You can’t live forever; you can’t live forever.’”

The book has intrigue and imperfect characters who have been struggling with a numerous issue like lost love, solidarity, romance, tragedy, motives, rotation between imagination and reality and many more. Jay Gatsby, a mysterious man, committing crimes to upgrade his wealth and get Daisy’s love. George Wilson, a man with rage of love and compassion for his wife Myrtle, later conflicted with the realization of her affair and the aftermath of her decease. Tom Buchanan, a rich man filled head-heavy with self-pride and dominance that thinks too little on the concept of love and disregards his woman due to sexism.

“I was within and without, simultaneously enchanted and repelled by the inexhaustible variety of life.” Author very well conveys the message that the efforts to chase the past can be futile. It shows how we all run behind things like money or any other materialistic things, but at the end one would end up questioning did we need it and how the regret of not having lived one’s life fully encompasses in the end. A must read for every person even though the language can be a challenge.

“Life starts all over again when it gets crisp in the fall.”

CA. Trisha Dalmia

UPCOMING FATCA & CRS REPORTING FOR FINANCIAL INSTITUTIONS IN KUWAIT



CA. Mneesh Bajaj
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Financial institutions in Kuwait subject to FATCA & CRS reporting have upcoming reporting deadlines.

About FATCA

The Government of the State of Kuwait and the Government of the United States of America ("USA") concluded and signed an Inter-Governmental Agreement ("IGA") to improve international tax compliance and implement the Foreign Account Tax Compliance Act ("FATCA").

FATCA is a US law that requires certain financial institutions to provide, to the US Internal Revenue Services ("IRS"), information about financial accounts held by US persons or by certain foreign entities in which US Persons hold substantial ownership interest. In Kuwait, Kuwait financial institutions subject to FATCA are required to file their FATCA reports with the Kuwait Ministry of Finance ("MOF"), which in turn exchanges the data with the IRS.

Key obligations for financial institutions under FATCA:

Under FATCA, Reporting Financial institutions ("RFIs") in Kuwait subject to FATCA are required to undertake certain onboarding and due diligence procedures to identify accounts held by US persons and report information on these accounts to the Kuwait MOF. Broadly, the following are the key requirements that must be fulfilled by Kuwait based RFIs:

- 1) Register with IRS and obtain a Global Intermediary Identification Number ("GIIN"). RFI's should remember to obtain a GIIN for

every newly incorporated subsidiary subject to FATCA. Similarly, in case of any liquidation of a subsidiary, the GIIN should be cancelled.

- 2) Carry out due diligence procedures to identify customer accounts which fall under the definition of 'US account subject to the reporting requirement.
- 3) Use the prescribed FATCA self-certification forms at time of onboarding clients, as applicable.
- 4) Annually report US reportable accounts to the Kuwait MOF via the designated FATCA Portal.
- 5) Appoint an approved audit firm to carry out the necessary procedures to issue the following reports to the RFI for onward filing with the MOF:
 - a. Report on the FATCA classification of the RFI
 - b. Report on the FATCA compliance of RFI
 - c. Report on the reportable accounts of the RFI

About Common reporting standards ("CRS")

The Organization for Economic Co-Operation and Development ("OECD") developed the Common Reporting Standard (CRS), in response to the G20 request. The CRS calls on jurisdictions to obtain certain information about reportable account holders from their local financial institutions and automatically exchange that information with other jurisdictions on an annual basis.

Kuwait signed the Multilateral Competent Authority Agreement ("MCAA") and CRS in August 2016 and the Convention on Mutual Administrative Assistance in Tax Matters ("MAC") in May 2017. Broadly, CRS requires financial institutions in Kuwait subject to CRS to carry out certain due diligence procedures to identify, document and report customers who are tax resident in a reportable jurisdiction.

While FATCA is concerned about US persons, CRS is based on tax residency and is significantly

wider in scope as it covers over 100 jurisdictions that have agreed to participate in the exchange of information under CRS.

Key obligations for financial institutions under CRS

1. Prepare, document, and apply certain due diligence procedures to determine the accounts reportable under CRS.
2. Report to the MOF, on an annual basis, accounts identified as reportable under CRS.
3. RFI's that have no accounts to report under CRS are required to submit a nil report to the MOF.
4. Maintain CRS records (such as self-certification forms, documentary evidence etc.) for a period not less than 5 years from the end of the relevant reporting period.
5. Appoint an approved audit firm to carry out the necessary procedures to issue the following reports to the RFI for onward filing with the MOF:
 - a. Report on the CRS classification of the RFI
 - b. Report on the CRS compliance of RFI
 - c. Report on the reportable accounts of the RFI

Reportable Information

Below are the key items that are required to be collected and reported under FATCA and / or CRS:

Account Holder (S)	RFI & the asset	Income / Gains / Movements
Full name	Name of the reporting financial institution & its identifying number	Gross interest received
Address	Currency of reportable asset	Dividends received
Date & Place of birth	Local account number / identifier	Gross capital sale proceeds received into account
Tax identification number	End of the year balance for cash deposits / Cash value for other assets	Any other income derived from financial assets

Key challenges facing financial institutions for ongoing compliance to FATCA & CRS

Although FATCA & CRS were legislated

in Kuwait a few years ago, most financial institutions continue to face challenges. Some of these challenges include:

- The requirement to 'look through' certain entity account holders to verify the 'natural persons' who control them.
- Definition of 'control' for a different type of organisations and structures.
- The definition of the term "financial account" given its wide application and inclusion of equity interests.
- Monitoring changes in circumstances including periodic changes to customers'/ investors' country of tax residence for CRS purposes, at least.
- Managing investor/customer relations.
- Training new staff.
- Changes to IT systems.
- The challenge of obtaining self-certifications from customers/investors to determine their right classifications.
- Ensuring FATCA & CRS compliance by the whole group within the financial institutions.

Reporting deadlines

RFI's are required to submit the above reports to the MOF by end of May each year, unless an extension is granted.

What does it all mean for account holders? (both retail and corporates)

It is important that account holders are aware of the potential tax consequences of reporting under FATCA or CRS. If the relevant income or gains that are required to be reported have not previously been reported in their country of residence, they are likely be investigated by the local tax authorities and could face a large tax bill.

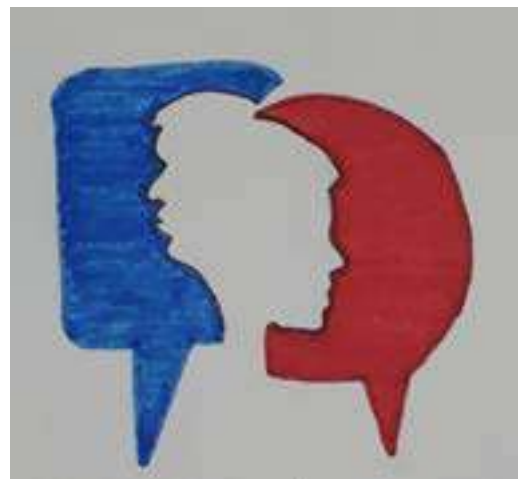
It is vital that account holders (individuals as well as corporates) fill out the FATCA & CRS self-certification forms correctly and ensure that the details around tax residence and classifications are accurate.

TOWARDS MORE GENDER-NEUTRAL LANGUAGE



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Artwork by Ms. Bharathi Sriram

Gender Equality

Gender equality as a cultural reformation is fast evolving across the globe. Many corporates that advocate equal opportunity and inclusiveness have adopted this as a primary driver of change. This cultural shift is demonstrated in various ways – from leave and pay policies to common toilets!

First Neutral; Then Equal

All said and done, I strongly believe that gender equality cannot be achieved in its truest sense without first achieving gender neutrality. Neutrality will eventually drive equality. Gender neutrality is a conscious way to align oneself to avoid masculine, feminine or third centrism - in thinking, speaking and action. A true evidence of such alignment is through own language – written or spoken.

Common Usages

If we carefully introspect our day-to-day language, we will realize that it is full of terms and usages that are largely masculine. It has become a common parlance to use words like businessman, chairman etc all without much thought. These usages too are fast evolving to gender neutral usages such as businessperson (note: Not businesswoman, which is gender centric), chairperson, etc.

Even in professional literature like standards, contracts, and textbooks, it was common to see usages such as 'An auditor shall express a disclaimer of opinion if he is unable to obtain evidence...'. However, with conscious efforts, all such language is rapidly changing to something like 'An auditor shall express a disclaimer of opinion if no evidence is being obtained ...'.

Similarly, words like 'husband', 'wife', 'brother', 'sister', etc. are replaced by neutral words such as 'spouse' and 'sibling'.

Gender specific pronouns such as 'his' or 'her' are turning into 'one's' or simply turning into plural if the context allows it – like 'they' and 'their'.

Some old adages like 'Practice makes a man perfect' are also getting reformed as 'Practice makes one perfect'.

Legal Usage

In the past, the masculine pronoun was commonly used in the English language to signify the non-specific "he or she". The Interpretation Act provides that references to female persons include male persons and vice versa. Subsection 33(1) reads:

"33(1) Words importing female persons include male persons and corporations and words importing male persons include female persons and corporations."

It is now generally well-accepted that gender-specific language should only be used for references to

persons of one gender or the other, for example in provisions that deal with women taking maternity leave. In all other cases, it should be avoided.

Necessary Gender Specific Usage

It is however necessary to restrict gender specific language to factually convey gender specific matters. As an example, in an all-boys hostel, it may be only correct to say, "All students should carry his own plate to the mess".

Drafting Techniques

Following are a few useful drafting techniques to adopt while consciously moving towards a gender-neutral language:

Technique	Gender Specific	Gender Neutral
May replace indefinite pronouns and singular nouns with singular 'they' and its other grammatical forms ('them', 'themselves' and 'their').	Every student shall pay his fees before March 31 of the year in which he completed his academic year.	Every student shall pay their fees before March 31 of the year in which they completed their academic year.
Use articles to replace the masculine pronoun.	If the Police Commissioner receives no First Information Report, the Commissioner shall so advise the complainant in his report under subsection (2).	If the Police Commissioner receives no First Information Report, the Commissioner shall so advise the complainant in the report under subsection (2).
if unable to avoid singular pronoun, may use both pronouns 'he' and 'she'.	The employee is free to claim his rights under the policy.	The employee is free to claim his or her rights under the policy.
May use the plural.	An auditor appointed in an AGM holds office until he resigns, or another auditor is appointed to replace him.	Auditors appointed in an AGM hold office until they resign, or other auditors are appointed to replace them.
Instead of 'he' or 'she', may use a neutral word or phrase such as "person", "any person", "every person" or "no person".	After the term of a member ends, he may continue to act as a member for matters that he had previously approved.	After a person's term ends as a member, the person may continue to act as a member for matters that the person had previously approved.
Repeat the noun instead of the pronoun.	If a senior officer is convinced in the circumstances to do so, he must issue a memo.	If a senior officer is convinced in the circumstances to do so, the senior officer must issue a memo.
Rewrite the sentence to eliminate the pronoun.	A transport officer may issue a license and he may also register the license if he considers that the applicant has met all the requirements.	A transport officer may issue and register a license after determining that the applicant has met all the requirements.

Few More Examples

Avoid	Use Instead	Avoid	Use Instead
Cameraman	Camera Operator	Mailman	Letter Carrier
Chairman	Chairperson or Chair	Policeman	Police Officer
Fireman	Firefighter	stewardess	Flight Attendant
fisherman	Fisher	waiter / waitress	Server
Foreman	Supervisor	Workman	Worker
Businessman	Business executive/ Entrepreneur/ Businessperson		

Conclusion

Gender neutrality is important when writing about people because it is not only accurate but also respectful. It is also consistent with the values recognized by various regulatory bodies and organizations.

To further extend the use of gender-neutral language, how about "Dear Friends, colleagues, etc." instead of "Ladies and Gentlemen"? Let us take along the third gender too!

FROM THE DAIRY OF KTS...



CA. Kaizar Shakir
Chairman – ICAI, Kuwait Chapter
Director and CFO – Gulf Consult



An Aristotelian virtue that I somehow have problem with, concerns Modesty and Humility. We all crave attention, and some of us would go to any lengths to stay in the limelight, even reveling it. I will touch upon this a bit later, but before that modesty and humility needs mention.

Modesty and humility concern how we relate to our own good qualities. Philosophers have been particularly drawn to the seemingly paradoxical aspects and elusive nature of modesty and humility. The modest person it seems, must be unaware of their own modesty. It is a kind of ethical blind spot: If you have it you won't know it (and if you seem to know you have it, you probably don't really have it!)

Now from modesty and humility, we move to some important traits that are pivotal in today's times:

FOMO: Coined by Dr. Dan Herman in 1996 – Fear of Missing Out is a state of mental or emotional strain caused by the fear of missing out. It involves a deep sense of envy and affects self-esteem. It is often exacerbated by social media sites like Instagram and Facebook. FOMO

is not just the sense that there might be better things that you could be doing at this moment, but it is the feeling that you are missing out on something fundamentally important that others are experiencing right now. The world is grappling with this, the social circles, and social media...

EGO: Our ego, is the biggest obstacle to our progress, and the cause for our unhappiness. It turns us from being flexible to rigid, sometimes downright stubborn, as we persist in carrying those imaginary burdens that we can so easily drop and be free of the chains that bind us.

SELFRESPECT: In the name of self-respect, we tend not only to have views and opinions, but also foist them on others; it's not people, places or situations that hurt us, but we ourselves.

As a wise man once said, that to find oneself, one must simply lose oneself, dissolving into the immense expanse of nothingness from which we emerged. One only needs to let go these to experience the exhilarating sense of freedom that entails with MODESTY and HUMILITY...



RECEIPE

MANGO PANNA COTTA

(Serves :6)



CA. Anju Mary John

Panna cotta Mix

- Milk – 1 cup
- Heavy cream – 1 cup
- Sugar – ¼ cup
- Gelatine powder – 1 tbsp
- Vanilla Essence – 1 tsp
- Mango puree – 1 cup (1 large mango)

Mango Jelly / Topping

- Mango puree – 1 cup (1 large mango)
- Gelatine powder – 1 tsp
- Water – ½ cup

METHOD

Mango Puree

- Pulse the mangoes in a blender until smooth and sieve to remove the fibre.
- Use half of the puree for the panna cotta mixture and the rest for the topping.

Panna Cotta

- Mix gelatine in 2 tsps of milk, stir and set aside.
- In a heavy bottom saucepan, heat the remaining milk, cream & sugar.
- Once the mixture is well heated through, add vanilla essence and the gelatine milk.
- Cook until the gelatine is dissolved. DO NOT BOIL!
- Remove the pan from heat and add the mango puree kept for panna cotta preparation.
- Sieve the mixture to remove any lumps.
- Pour the mixture into serving glasses / bowls and let it chill in the refrigerator for at-least 3 hours.

Mango Jelly / Topping

- Mix gelatine, water, and mango puree.
- Heat over medium-low flame until gelatine is completely dissolved.
- Let it cool slightly – then divide between the chilled panna cotta glasses.
- Chill for at least another hour before serving.

Happy Cooking! Enjoy!

Note: -

If fresh mangoes are not available, bottled thick mango juice can be used, which came out well when I tried. In this case, remember not to add the ½ cup of water used in Mango Jelly preparation above.

ICAI BEST CHAPTER OVERSEAS AWARD 2ND PRIZE FOR THE YEAR 2020

CONGRATULATIONS
TO ALL FOR BEING PART OF THIS
AMAZING ACHIEVEMENT!



WORD – SCRAMBLES

1. The _____ method (or basis) of accounting reports expenses when they are incurred (as opposed to when they are paid) **CUCLARA**
2. Land is an asset that is not _____. **ETDPDRCAEIE**
3. Assets = Liabilities + Stockholders' Equity is known as the basic accounting _____. **UETOIANQ**
4. A listing of the general ledger accounts that does not include the account balances is the _____ of accounts. **TRCAH**
5. The general ledger accounts whose balances are closed at the end of the accounting year are the _____ statement accounts. **NMICEO**
6. The statement of cash flows reports amounts according to three activities: _____, financing, and investing. **NOAEGTPIR**
7. The amount of prepaid insurance that has not expired as of the end of the accounting period is reported as an _____. **ESTAS**
8. Property is not reported at its current market value because of the cost _____. **RECIPILPN**
9. Unearned Revenues is reported on the balance sheet as a _____. **IIIBYTALL**
10. Under the accrual method, revenues are reported on the income statement when they are _____. **DRAEEN**
11. This is an allocation process (not a valuation process) associated with equipment and other plant assets. **EIEIDAPCNRT0**
12. The component of stockholders' equity that serves as a link to the corporation's income statement is retained _____. **GRSENANI**
13. what accounting term is this anagram of **RAISIN TOMATO**
14. Father of accounting **AULC OILCIPA**
15. Walter Diemer, who was an accountant, was also the inventor of **LEBMUGBBU**

QUARTERLY ROUND UP OF CHAPTER ACTIVITIES

The Chapter had a remarkable quarter with several professionally focused events. ‘Perform with Your PowerPoint’ conducted in January 2021 which gave us nifty tricks and tips to ace our presentation game. Undoubtedly, a well-designed and visually impactful presentation goes a long way in communicating the desired message and cementing credibility. The January 2021 ICAI examinations were conducted at Kuwait examination centre and students were able to appear in the safest environment, without the need to travel for exams.

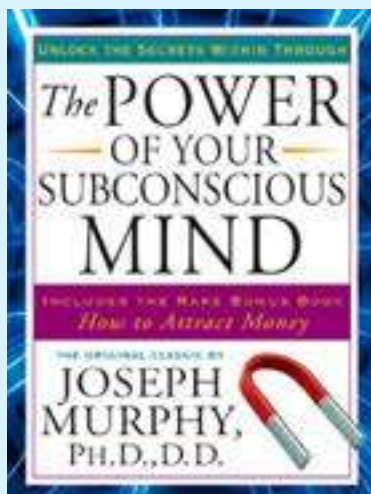
Two sessions were conducted by the Chapter during the month of February, one on the Indian Budget which was a joint session with the Bahrain and Oman Chapters and another – “Various Shade of Audit: Internal & External – Ticking the Right Boxes”. Both these sessions were integral to keeping abreast with the latest developments of our profession.

The quarter was rounded off with a future focused event – “Emerging Audit Requirements in Cyber Security, Data Privacy & Financials Forensics” and the fun filled Treasure Hunt event that the entire family enjoyed immensely, while turning their house upside down.

Last but not the least, we cannot thank each one of you enough for being supportive and participating all year round in the chapter activities. Your contribution has helped us achieve yet another milestone of being awarded the 2nd prize for the year 2020 as “Best Overseas Chapter” under category I (Above 500 Members). We look forward to your continued support and more and more participation. Together we aim to thrive newer and newer heights in professional excellence!

“You grow old when you lose interest in life, when you cease to dream, to hunger after new truths, and to search for new worlds to conquer. When your mind is open to new ideas, new interests, and when you raise the curtain and let in the sunshine and inspiration of new truths of life and the universe, you will be young and vital.”

The Power of your subconscious mind is a holistically written book which teaches you tips and tricks to change your thinking pattern. This book is full of scientifically proven methods about how to access full potential of one’s subconscious mind. The book reinstates the faith in your subconscious mind and revolves around our belief and the way we think things to be, it is made true by our subconscious mind. “As you sow in your subconscious mind, so shall you reap in your body and environment.” The book works its magic on all whether they believe in God or not.



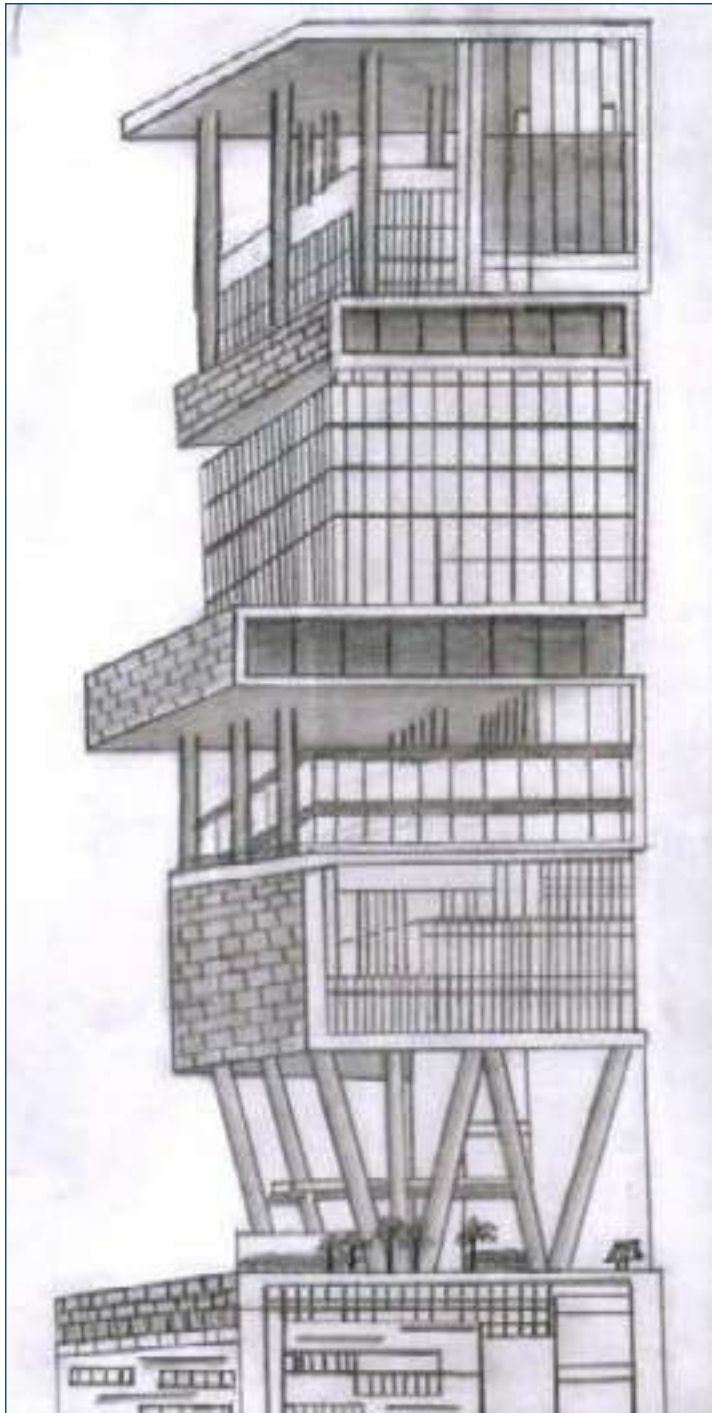
The book changes one’s perspective and decision-making capabilities. The author shares life examples to explain the concept better. It gives you the positive vibes and helps you unfold the untapped intelligence and power. “Remember, you have the capacity to choose. Choose life! Choose love! Choose health!”

A must and a power packed read for all ages and in every sphere of life. Very influential and certainly teaches some life changing skills.

“The way to get rid of darkness is with light; the way to overcome cold is with heat; the way to overcome the negative thought is to substitute the good thought. Affirm the good, and the bad will vanish.”

CA. Trisha Dalmia

Art Works



Sketches by Srajati Misra D/o CA. Suman Misra and CA. Minakshi Misra

WORD – SCRAMBLES

Solution

- | | | |
|----------------|--------------|------------------|
| 1. Accrual | 6. Operating | 11. Depreciation |
| 2. Depreciated | 7. Asset | 12. Earnings |
| 3. Equation | 8. Principle | 13. Amortisation |
| 4. Chart | 9. Liability | 14. Luca Pacioli |
| 5. Income | 10. Earned | 15. Bubblegum |

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