



In this Issue

- Message from the Managing Partner
- Crowe Global Reports Record Year
- Crowe Pakistan Celebrates International Women's Day
- Successful Implementation of IFRS-16 "Leases" in Bank Al Jazira, Kingdom of Saudi Arabia.
- Implementation of IFRS 16 in Al-Jazira Capital Company
- Awareness Session on Quality Control Framework
- SECP Initiates Company Registration under VOSS
- Our Consulting Team Attended a Training Session on Meeting Customer's Expectations
- A New Web Service Launched by FBR for Textile and Leather Sectors

Message from the Managing Partner

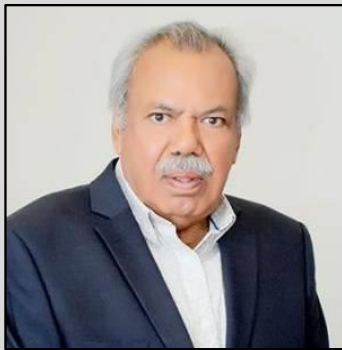
Dear Crowe Pakistan Team

The year 2018 was a very successful year for the firm, and 2019 seems even more promising and exciting.

The Crowe platform has brought about many fruitful collaborations, enabling excellence in our client services and fostering strong professional relationships.

As you understand that many things are on the anvil and through the combined efforts of our team, I am confident that we will continue to grow and meet the challenges successfully.

Best of luck and keep up the good work.



Saeed A. Chaudhury
Managing Partner

Horwath Hussain Chaudhury & Co.
Chartered Accountants

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Crowe Global Reports Record Year



David Mellor
Chief Executive Officer
Crowe Global

- Global revenues jump 14%
- Revenue passes \$4 billion in new CEO's first year

Crowe Global announced its latest financial performance information, showing revenues of \$4.3 billion (revenue growth of 14%) in 2018. This leap comes off the back of a standout year for the world's eighth largest accounting network, which underwent a major strategic brand consolidation exercise during the period.

The results show strong performance across the board, bolstered by impressive performances in the US, Germany, UK and Singapore and targeted acquisition activity from key member firms. The numbers cap a great year for new Chief Executive David Mellor, who stepped up from UK CEO to Global CEO in April 2018.

Geographically, each of Crowe's regional groups experienced growth, with the Asia Pacific practice growing by 41%, Africa by 9%, Middle East by 7%, North America by 6%, Europe by 5% and Latin America by 2%.

Crowe won exclusive membership of Ruihua CPAs in China – the nation's second largest accounting practice behind only PwC – driving growth in a core market while, elsewhere in Asia, the acquisition of Toyo in Japan (from BDO) boosted revenues by \$40 million.

Standout results came from some of the network's most well-established members, including: the US (9% growth), Germany (17%), the UK (18%) and Crowe BGK Canada (33%). At the same time, smaller member firms also achieved remarkable results, including Hungary (104% growth).

David Mellor, Chief Executive Officer of Crowe Global, comments:

"The headline figures – in particular double-digit growth across the network – speak for themselves and should be celebrated. We are immensely proud of the work we have done throughout 2018 in a rapidly-evolving marketplace and are already building on those successes as 2019 gets underway.

The past year has been a period of significant change for Crowe and we have sought to position ourselves for continued future growth through investment in our people, as well as in processes and technology. It is pleasing to see the numbers reinforce the positivity we see around the network on a daily basis.

"Importantly, the efforts of 2018 are helping us to foster deeper collaboration between and among member firms, building a global culture of innovation and efficiency, as well as growing multinational business."



Crowe Pakistan Celebrates International Women's Day



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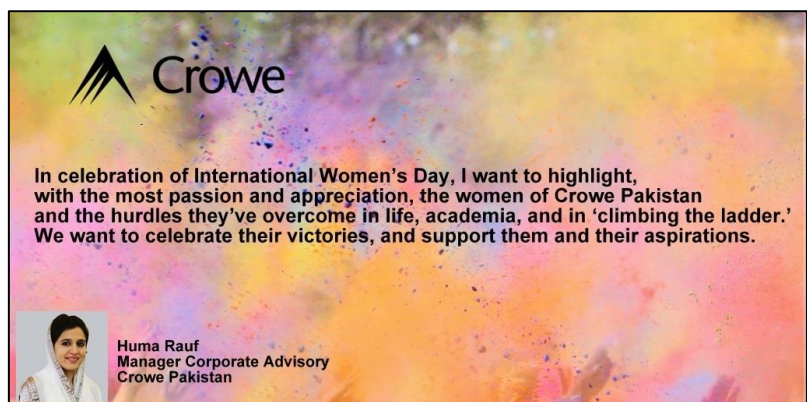
Women's Day is celebrated globally on 8 March every year in honor of their remarkable contribution to our society. The day also commemorates the inspiring role of women around the world to secure women's rights and build more equitable societies.

International Women's Day honors the women who have paved the path towards our progress and struggled to take 'womanhood' to a level where it is now. Unfortunately, at the same time, the day is a reminder of the discrimination and inequality that still continues to plague our society. This special day, dedicated to women around the world, is a celebration of the great success of women across all spheres of life as well as shaping the future.

Crowe Pakistan is of firm belief that no business can flourish unless equal opportunities are given to women as of men. Similarly, no goal can be achieved until both the genders equally contribute towards it. Our management decided to make this Women's Day special for all the women working for the firm in their assigned roles.

Appreciating the overall idea and understanding the significance of this day, Crowe Pakistan organized a lunch for all the women including employees and trainee students. Not only this, management also gave them a half day off just to make them feel special and giving them a message that their hard work and contribution matters a lot.

All attendees were pretty positive about this initiative and they were of this opinion that these initiatives do play a significant role in increasing the overall motivation which definitely adds in to enhanced productivity. They also extended some words of gratitude for the management and their policy of unbiasedness and promoting equality at the work place.



Muhammad Nasir Muneer
Partner Audit & Consulting

"That's a good tradition Crowe Pakistan started this year, let's aim to make it an annual celebration"



Amin Ali
Partner Audit & Assurance

"Hope you all had a good time. Keep on moving – unstoppable."

Successful implementation of IFRS-16 “Leases” in Bank Al Jazira, Kingdom of Saudi Arabia.

The Audit Team from Crowe Pakistan undertook the system understanding and mapped the requirements of IFRS for the Bank. The tailor-made system to be deployed at the Bank was reviewed and improvisation suggested through amendments in data field.

Consequently, the required disclosures were prepared and adaptation of the IFRS was made simpler for the Bank. In the coming month, a detailed training of the relevant staff shall be undertaken to successfully close the engagement.

Implementation of IFRS 16 in Al-Jazira Capital Company

Keeping in view the successful implementation of IFRS 16 in Bank Al-Jazira, HHC was engaged to implement IFRS 16 in one of the subsidiaries of BAJ i.e. Al-Jazira Capital Company.

Our team from Horwath Hussain Chaudhury & Co. successfully implemented the same in AJC also and assisted the Finance Team to conclude the transition to IFRS 16 for onwards reporting.

Awareness Session on Quality Control Framework

The Institute of Chartered Accountants of Pakistan (ICAP) has introduced a revised QCR Framework on recommendations of the Audit Oversight Board. This new QCR Framework has altogether changed the approach to the QCR of Firms and raised various concerns.

In order to discuss the same ICAP arranged an awareness session along with the Panel Discussion. Amin Ali (Partner Audit & Assurance) attended the same as a Panelist and shared his insights over the new Framework, global practices, potential problems that may be faced by practicing accountants and relative suggestions on the same.



SECP Initiates Company Registration under VOSS



- Securities and Exchange Commission of Pakistan (SECP) and the Federal Board of Revenue (FBR) have launched a one-window facility for company and national tax number (NTN) registration

These reforms will not only help the local entrepreneurs but will also attract foreign investors. SECP provide conducive environment for doing business in Pakistan. This is the first instance of government-to-government technical integration at the process level. Through this facility, the entrepreneur will log in to the SECP online portal eservices, get the company registered with the SECP and will receive the NTN automatically at company's email address.

The facility has been launched to simplify procedures for business registration, to eliminate the hassle of visiting various government agencies and to ensure an expeditious service delivery by integrating the registration procedures of SECP and FBR.

This facility shall have favorable implications for investment promotion to attract investors from within and outside the country and contribute to the documentation of the economy. It is also likely to help achieve higher ranking in the World Bank's starting-a-business and the composite doing business indicator.

- Four Sindh government departments and the Securities and Exchange Commission of Pakistan (SECP) have signed a memorandum of understanding (MoU) for launching a business registration portal in an attempt to facilitate entrepreneurs in completing all registration formalities online.

Through the portal, the entrepreneurs will be able to complete all registration procedures online, which are required by different departments such as industries, labor, social security, revenue board, NADRA and the SECP".

In a bid to ensure the ease of doing business for businessmen and investors, the reforms undertaken by the provincial government include the replacement of the outdated regulatory compliance procedure with complete automation of business registration, building permits and approvals.

The provincial departments that signed the MoU included the Investment Department, Labor Department, Industries and Commerce Department, and Sindh Employees Social Security Institution (Sessi).

- Finance Minister Asad Umar applauded the World Bank's recognition of Pakistan's enhanced implementation of corporate governance principles in its Pakistan Report on Observance of Standards and Codes (ROSC) on Corporate Governance.

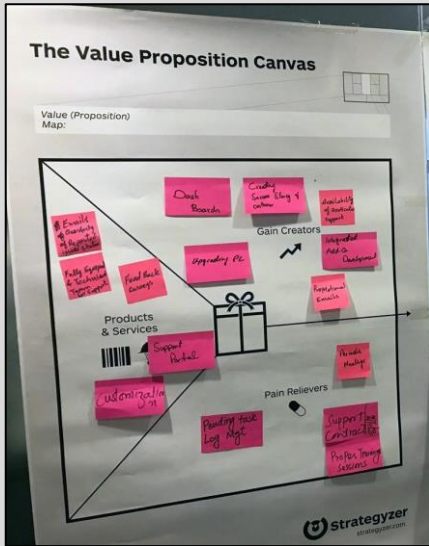
The ROSC corporate governance initiative is administered by the World Bank that assesses the degree to which a country observes the G20/ organization of Economic Cooperation and Development (OECD) Principles of Corporate Governance (OECD Principles) the international reference point for good corporate governance and develops a series of recommendations to reduce or close identified gaps.

The report assessed that OECD 20 principles fully implemented, 33 broadly implemented, 16 principles partially implemented and three not applicable. A comparison with the 2005 Corporate Governance ROSC shows the level of improvement in the corporate governance framework; in 2005 out of a total of 32 applicable principles, only 4 were fully implemented, 17 were broadly implemented, 10 were partially implemented and 1 was reported as not implemented.

The assessment noted considerable improvement in compliance from 66 percent in 2005 to 77 percent in 2018 and has assessed Pakistan as "broadly implemented" against the OECD Principles of Corporate Governance.



Our Consulting Team Attended a Training Session on Meeting Customer's Expectations



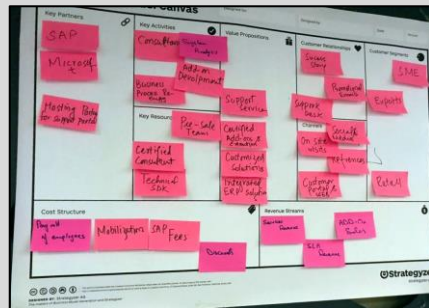
In order to further enhance the skills of our consulting team, a training session was organized by Mostafa Sharaf, SAP SMB Channel Enablement & Solution Expert, Presales. The training session continued for five days; each training session was targeted for a separate training group i.e. Pre-Sales, Developers and Functional Consultants.

As a whole, the training session aimed to address the challenges of each training group and highlighted the various ways to satisfy the customer needs in the best way possible.

Design thinking skills had been discussed in detail. It's one of the fundamental skills of consultants which enable them to deliver the most appropriate solution that can provide solution to the challenges faced by the customers.

Various activities had also been conducted to enhance the team building and time management skills of the participants.

The training session also described that how SAP enables the SMEs to become the intelligent Enterprises. In Intelligent Enterprises, data feeds intelligence which in turn feeds process automation and innovation. Furthermore, Data driven intelligence can enable SMEs to respond the business challenges in a faster way.



A New Web Service Launched by FBR for Textile and Leather Sectors



A new web service, initially only for textile and leather sectors, has been launched to share their invoice data with FBR to avail the lower tax rate by directly integrating your Server/POS with FBR using the provided web service to upload the sales invoices in bulk.

This web service has been created and hosted on FBR server and highlights a web method for the data sharing from the taxpayers' Server/POS to FBR's Server.

The reduced rate of sales tax, i.e. 6% in comparison to 9% under usual reporting method.

This requires to connect all the POS of a unit with the FBR's online system.



Upload Bulk Sales

Direct integration of Server/Point of Sales system with FBR to upload bulk sales



Reduced Tax Rate

By registering with the online integration system of FBR the taxpayers will avail the benefit of reduce rate of sales tax



Real Time Integration

Every invoice will be fiscalise on real time basis by directly integrating the POS

FBR Web Service

Real Time Invoice Data Sharing

➤ Sales Tax Rates -Trends and Prospects_ Textile & Leather

Currently FBR web service facility is only available to the textile and leather sectors engaged in the trading business activity of finished fabric, locally manufactured finished articles of textile, made-ups of textile, leather and artificial leather.

Ostensibly, the textile and leather sectors have a dynamic influence on the economy of Pakistan and this factor pushing hard to the Government to incentivizing these sectors by offering far lower sales tax rate.

The following lurid description reveals the historical tax facts:

Textile



Leather



Relief of reduced rate in 2016 for major export-oriented sector including textile and leather

5%

Slight increase in the sales tax rate has been brought vide Finance Act 2017

6%

In 2018, rate of sales tax further increased for textile and leather sector

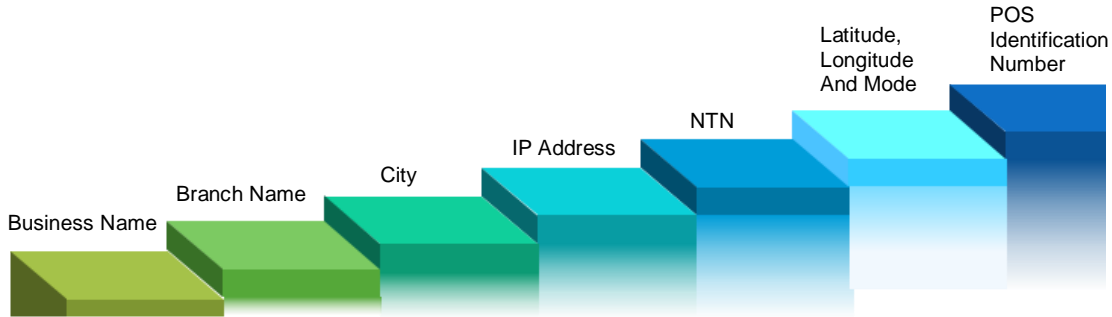
9%

Relief is granted only to taxpayers who integrate their invoice data with FBR on real time basis

6%

➤ Registration of POS with FBR System

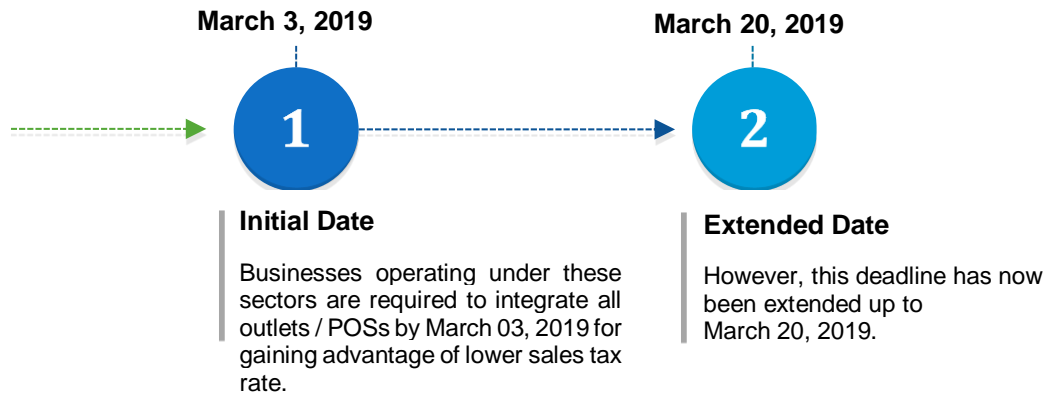
Textile and Leather sectors will register their POS for each branch using eFBR portal by providing the following data;



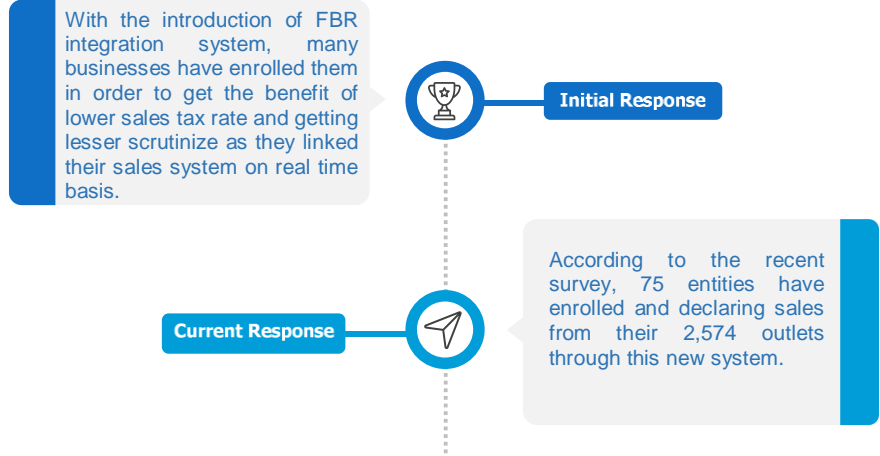
➤ Integration of Taxpayer System with FBR Web Service

FBR has provided the web service to textile and leather sector to share sales invoice data. This web service will be accessible only by registered POS clients. Transaction handling and relevant data dissemination to FBR and PRAL will be the responsibility of the registered POS client.

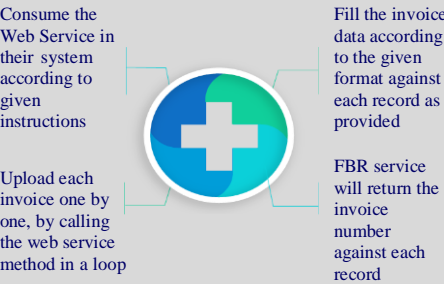
➤ Timeframe for Availing the Reduced Sales Tax Rate



➤ Response by the Taxpayers



Required Steps to Integrate the Taxpayer System with the FBR System



Mandatory requirements for each POS or Outlet

